

The Mining Journal

ANALYSIS OF RAND AND O.F.S. QUARTERLIES

South Africa Holding Her Own

WHATEVER may be the longer term political consequences of South Africa's withdrawal from the Commonwealth and of world reactions to the circumstances inside the Republic, which gave rise to this decision, it has been the economic consequences rather than the political and ideological considerations upon which it was based which have been the more obtrusive during the past three months.

In the event, the inauguration of the Republic passed off with a notable lack of disorder on the one hand and of enthusiasm on the other. The much heralded three days stay-at-home strike instigated by the more moderate of the now illegal African organisations as a curtain raiser to Republic Day was a notable failure, which serves to underline the absence of any spontaneous inclination towards political demonstration among urban Africans.

They, unlike some of their brothers further North, appear to be more concerned with economic and social advancement, which for many still means breaking the barrier of the subsistence level, than with the attainment of political freedoms which at best remain a distant prospect. The fact that, owing to the relatively highly industrialised state of the Republic, the standard of living of the African is higher than elsewhere in the continent in itself accounts for the greater emphasis on the economic, as distinct from the political, aspirations of the urban African population.

Concessions to Urban Africans

No less significant than the policed orderliness leading up to Republic Day, were the very real concessions to the urban African announced by Dr. Verwoerd's government some two weeks later in the shape of the Urban Bantu Councils Bill, and of the proposed amendments to the liquor laws. These are among the first practical signs, and most welcome they are, of a more realistic approach by the government to the urban African.

Not only is the presence of several million Bantus in urban areas essential to the functioning of the South African economy, but the difference in standards and outlooks between the urban and tribal African have also widened to the point where the promise of citizenship in some future Bantustan can have little practical significance for the former. It is, thus, impossible not to read into the Urban Bantu Councils Bill a tacit admission that the urban African is indeed a permanent part of white South Africa, and as such is entitled to some say in the conduct of

local government in the area in which he lives.

Of equal importance is that it would appear that these Councils will also be the means of formal communication and consultation between the urban African communities and the government. It will be recalled that the absence of such channels and the failure to give any recognition to the permanence of the urban African were widely held to have contributed to last year's disturbances.

A detailed five-year plan for the Bantustans is to be announced shortly.

The Road Back

On the evidence of these recent announcements, it can no longer be denied that a start is being made along South Africa's chosen road of separate advancement, although it has yet to be shown whether the rate of this advance can be sufficient to keep pace with African aspirations. This, however, depends as much on availability of capital as on a changing attitude of mind among the European community. In this respect, if the moves which the government has made on racial matters in the few weeks since the advent of the Republic are any guide to what we may expect in the future, there is hope that it is now on the long road back to reassuring foreign opinion of the feasibility of its intentions which is the first prerequisite to the return of foreign risk capital to white South Africa and, it must be hoped, to the provision of aid funds to the Bantustans.

Meanwhile, whatever his personal views, the outside observer can scarcely object to a solution of South Africa's racial problems by partition rather than by integration in a situation where the latter can only remain unrealistic so long as any multi-racial solution, applicable with sufficient speed to be effective, remains unacceptable to the great majority of the white South African electorate.

The trend towards foreign disinvestment in South Africa has not been solely a consequence of racial policies within the Republic. The malaise which has been afflicting investment sentiment throughout Africa would in any case have left a big mark on South African markets and, indeed, it is by no means fanciful to suggest that had South African policy gone to the opposite extreme of one man one vote, the flight of foreign capital might have been even more pronounced.

Capital Outflow Obscures Sound Trading Position

Developments on the economic front have in the last three months been almost unrelievedly depressing, except for the shortlived and entirely psychological revival in the market in late May and early June once it began to be apparent that the government had acted with sufficient firmness to avert any disturbances prior to Republic Day. Aside from this, the

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Also of real psychological importance are the proposed amendments to the Liquor Act which, differences of income apart, places the African on exactly the same footing as the European. The removal of this discrimination represents a significant social freedom and also removes a major source of friction with the police resulting from persistent liquor raids.

No less important, in the context of clarifying the degree of independence which is envisaged for the Bantustans, is Mr. De Wet Nel's recent disclosure that he aims to give the Transkei an independent administration as rapidly as possible and that inhabitants with the necessary education have already been recruited and are being trained to take over administrative positions.

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FINANCIAL RESULTS

(Cumulative and comparative "this" financial year to June 30, 1961 with "last.")

GROUP	COMPANY	ORDINARY SHARES IN ISSUE	Months since year end	PROFIT AND LOSS RESULTS R(000)								Current financial year's capital expenditure R(000)	EARNINGS, DIVIDENDS & YIELD						
				Working Profit		Uranium Profit After Loan Repayment		Taxation and/or Mining Lease		Net Profit After Tax			Earned in current year to date Cents	Paid					Yield on London Price 20.7.61 (%)
				This	Last	This	Last	This	Last	This	Last			1959/60		1960/61			
														Cents	Cents	Cents	Cents	Cents	
Gold Fields	Dourfontein	9,828,000 (R1)	12	6,022	4,688	282	280	1,034	—	5,270	4,969	3,005	54	15	15	14	13	10.6	
	Libanon	7,937,300 (R1)	12	1,756	1,519	—	—	—	—	1,756	1,525	1,287	22	3	4	4	5	7.8	
	Luipaards Vlei	4,969,105 (20c)	12	2,536	2,366	(a)	(a)	962	860	867	918	Cr. 44	17	10	10	10	26.7		
	Rietfontein C.	1,122,252 (2½c)	6	17	77	—	—	0	38	17	38	—	1	12*	5*	6*	2*	0.0	
	Robinson	2,000,000 (2½c)	6	14	L 18	—	—	—	—	14	L 18	—	—	—	—	—	2½*	0.0	
	Simmer	6,750,000 (15c)	6	L 1	L 96	—	—	—	—	L 1	L 96	Cr. 29	—	—	—	—	—	—	
	Sub Nigel	1,771,875 (2½c)	12	335	443	—	—	6	145	329	326	4	18	12½*	12½*	12½*	12½*	0.0	
	Venterspost	4,900,000 (R1)	12	1,973	1,501	—	—	524	369	1,449	1,152	469	30	9	10	10	10	11.2	
	Vlakfontein	6,000,000 (R1)	6	1,114	1,045	—	—	535	512	579	533	4	10	10	9	11	10	15.0	
	Vogels	5,028,571 (2½c)	6	169	247	373	368	296	339	245	276	7	5	8*	7*	7*	5*	0.0	
W. Drie	14,082,160 (R1)	12	26,261	21,519	587	591	12,955	10,657	13,894	11,456	6,804	99	24	26	29	31	8.1		
Anglo American	Brakpan	4,600,000 (2½c)	6	261	146	—	—	62	17	199	129	Cr. 21	4	5*	4*	5*	5*	0.0	
	Dagga	7,000,000 (50c)	6	2,720	2,736	698½	1,135	2,244	2,456	1,523	1,415	17	22	22½	20	20	20	24.2	
	East Dagga	3,730,000 (R1)	6	506	485	—	—	206	191	301	293	Cr. 7	8	6	6	8	8	18.2	
	F. S. Geduld	10,000,000 (50c)	9	12,254	11,631	—	—	2,331	—	9,923	11,631	2,294	99	45	35	50	35	11.1	
	P. Brand	14,040,000 (50c)	9	14,892	14,949	340½	566	7,820	7,021	7,597	8,494	1,988	54	30	25	30	25	11.0	
	P. Steyn	14,040,000 (50c)	9	3,047	3,228	460½	681	—	—	3,731	3,909	3,056	27	12½	10	10	7½	12.0	
	S. A. Lands	2,475,000 (35c)	6	609	516	—	—	8	4	601	512	760	24	5	5	5	5	7.8	
	Springs	10,110,000 (2½c)	6	206	176	—	—	49	42	157	134	Cr. 35	2	5*	—	5*	—	0.0	
	Vaal Reefs	10,500,000 (50c)	6	3,183	2,705	955	1,433	—	—	4,138	4,138	1,788	39	20	15	20	17½	10.0	
	Welkom	12,250,000 (50c)	9	1,208	1,330	451½	671	—	—	1,886	2,001	380	15	2½	2½	4	3	6.3	
W. Holdings	7,496,376 (50c)	9	17,263	14,269	—	—	10,110	7,930	7,153	6,339	1,864	95	50	40	55	45	9.0		
W. Reefs	7,000,000 (50c)	6	1,761	1,573	108	1,279	706	1,500	1,163	1,351	1,445	17	12½	12½	12½	12½	10.7		
Central Mining	Blyvoor	24,000,000 (25c)	12	15,965	15,198	2,521	2,440	10,368	10,250	8,506	8,095	2,831	35	12	12½	13	13	10.3	
	City Deep	2,026,832 (R2)	6	44	65	—	—	0	6	70	130	102	3	6	6	7	7	11.0	
	Cons. M. R.	1,247,602 (R2)	12	76	157	—	—	20	18	211	373	—	17	12½	15	15	15	24.0	
	Crown	1,886,125 (R1)	6	15	62	—	—	0	38	38	161	5	2	20	20	20	21.0		
	Durban Deep	2,325,000 (R1)	6	585	590	—	—	18	76	609	557	302	26	15	15	15	15	12.6	
	E. Rand Prop.	3,960,000 (R1)	6	785	1,046	—	—	Cr. 8	11	787	1,040	464	20	17½	17½	15	10	10.5	
	Harmony	18,000,000 (50c)	12	8,181	6,270	4,679	4,081	—	—	12,753	10,262	3,090	71	12½	12½	14	14	13.5	
	Modder E.	930,805 (R2)	12	15	19	—	—	0	21	72	121	—	8	5	5	5	5	13.3	
	Rose Deep	700,000 (2½c)	6	L 5	15	—	—	0	2	6	55	—	1	—	32½*	10	—	16.6	
	Transvaal G.M.E.	952,500 (2½c)	6	20	15	—	—	—	—	8	8	12	1	—	—	—	—	—	
J.C.I.	E. Champ d'Or	2,079,000 (25c)	6	58	85	(a)	(a)	18	33	42	55	2	2	2½	2½	2½	2	28.5	
	Freddies Cons.	16,359,913 (R2)	6	L 296	L 511	194½	362	—	—	39	L 196	3	—	—	—	—	—	—	
	Govt. G.M.A.	5,600,000 (2½c)	6	L 103	13	248d	277d	23	55	122	235	—	2	7½*	10*	2½*	4*	0.0	
	Randfontein	4,063,553 (R2)	6	534	1,344	(a)½	(a)	660	618	1,027	726	91	25	22½	12½	17½	17½	18.7	
Union Corporation	E. Geduld	9,000,000 (40c)	6	2,613	3,044	—	—	1,404	1,606	1,344	1,552	—	15	19	17	18	15	24.4	
	Geduld Prop.	1,460,857 (R2)	6	255	290	—	—	87	106	787	820	—	54	50	33	36	30	16.0	
	Grootvlei	11,438,816 (50c)	6	2,618	2,725	—	—	1,355	1,400	1,336	1,371	—	12	14	11	14	11	16.1	
	Marievale	4,500,000 (R1)	6	1,446	1,504	—	—	714	758	765	762	—	17	16	15	19	15	15.1	
	St. Helena	9,625,000 (R1)	6	4,909	3,948	—	—	2,486	—	2,484	3,922	335	26	17½	22½	27½	23	9.0	
	Van Dyk	5,532,000 (2½c)	6	82	114	—	—	14	25	88	113	—	2	—	15*	—	7½*	0.0	
	Winkelhaak	12,000,000 (R1)	6	2,080	1,417	—	—	—	—	2,063	1,369	1,214	17	—	—	3	5	4.5	
General Mining	Buffelsfontein	11,000,000 (R1)	12	8,478	7,056	3,526	3,969	—	—	12,004	10,883	5,447	109	17½	19	17½	17½	10.5	
	Ellaton	787,500 (50c)	12	463	634	180	386	—	—	646	1,020	Cr. 9	82	—	—	—	—	—	
	Stilfontein	13,062,920 (50c)	6	5,124	4,459	113½	669	1,607	1,658	3,615	3,470	2,357	28	—	15	15	15	11.2	
	S. Roo'depoort	1,420,662 (50c)	12	545	536	—	—	223	218	338	346	6	24	11	11	11	11½	11.1	
	W. Rand Cons.	4,250,000 (R1)b	6	1,958	2,293	(a)	(a)	905	1,142	1,124	1,247	—	20	22½	20	22½	17½	26.6	
Anglo-Tyrol	Hartebeestfontein	9,000,000 (R1)	12	7,766	6,972	4,085	5,554	4,005	4,348	8,185	8,438	4,342	91	30	30	25	25	11.9	
	Loraine	15,363,345 (R1)	9	L 33	L 374	260½	397	—	—	381	38	1,676	2	—	—	—	—	—	
	Rand Leases	13,600,000 (2½c)	12	L 12	453	—	—	12	17	26	518	111	1	10*	5*	5*	5*	0.0	
	Virginia	13,278,952 (50c)	6	L 702	51	505½	1,246	—	—	155	1,135	861	1	—	—	—	—	—	
Others	N. Klein	1,735,000 (R2)	6	33	13	—	—	—	—	33	13	—	—	—	—	—	—	—	
	Spaarwater	7,974,967 (50c)	6	6	6	—	—	—	—	6	6	—	—	—	—	—	—	—	
	Wit Nigel	7,974,720 (25c)	12	90	108	—	—	—	—	112	127	6	1	—	1	—	1	13.3	

(a) Included under working profit. (b) And deferred shares. (c) Adjusted for scrip issue. (d) Pyrite. *Capital repayment.

† Receives royalty included in net profit after tax. † Johannesburg price.

DEVELOPMENT AND MILLING RESULTS

(Cumulative and comparative "this" financial year to June 30, 1961 with "last.")

GROUP	COMPANY	Months since year end	DEVELOPMENT RESULTS										MILL THROUGHPUT											
			TOTAL ORE RESERVES			Payability					Tonnage				Gold Recovered						Working Profit			
			Tons (000)	Value (dwt.)	Inch dwt.	Ft. Sampled (000)		%		Av. Value (In.-dwt.)		Milled (000)		Cost per ton (Rand)		Ounces (003)		Grade (dwt. per ton)		Cost per ounce (Rand)		Per ton (Rand)		
						This	Last	This	Last	This	Last	This	Last	This	Last	This	Last	This	Last	This	Last	This	Last	
Gold Fields	D'fontein	12	3,046	8-0	329	22	30	91	90	574	511	1,317	1,160	5-91	6-12	548	471	8-3	8-1	14-20	15-09	4-57	4-04	
	Libanon	12	2,759	5-2	251	37	28	75	68	318	339	1,405	1,350	4-85	4-78	340	318	4-8	4-7	20-05	20-28	1-25	1-12	
	Luipaards Vlei	12	2,037	3-6	135	10	11	62	57	253	256	816	832	N/A	4-25	142	146	3-5	3-5	N/A	24-22	N/A	0-15	
	Rietfontein C.	6	101	5-7	321	3	2	45	32	427	338	72	96	6-55	5-77	19	25	5-4	5-2	24-26	22-02	0-24	0-80	
	Robinson	6	360	5-2	282	3	1	55	57	296	256	256	270	5-63	5-52	58	59	4-5	4-3	24-91	25-38	0-06	L0-07	
	Simmer	6	362	4-5	196	3	8	40	27	265	278	418	458	4-58	4-65	76	81	3-6	3-5	25-15	26-22	L0-01	L0-21	
	Sub Nigel	12	470	7-9	303	13	20	22	25	337	336	793	793	5-32	5-28	180	185	4-6	4-7	23-35	22-65	0-42	0-56	
	Venterspost	12	2,265	7-0	389	28	41	59	50	466	458	1,464	1,503	5-72	5-42	419	385	5-7	5-1	20-51	21-16	1-35	1-00	
	Vlakfontein	6	1,698	7-9	327	16	16	39	43	470	375	313	309	5-71	5-57	116	110	7-4	7-2	15-49	15-58	3-55	3-38	
	Vogels	6	1,379	4-8	201	13	17	23	26	298	274	485	515	5-05	4-92	104	111	4-3	4-3	23-62	22-88	0-35	0-48	
W. Drie	6	4,091	14-6	626	20	18	91	92	660	772	1,644	1,360	6-89	7-18	1,490	1,249	18-1	18-4	7-60	7-82	15-98	15-82		
Anglo American	Brakpan	6	1,340	4-9	274	7	10	16	20	893	612	855	852	2-87	2-87	108	103	2-5	2-4	22-77	23-64	0-31	0-18	
	Dagga	6	7,576	5-1	222	16	13	46	41	375	372	1,356	1,392	3-08	3-09	274	281	4-0	4-0	15-23	15-32	2-00	1-97	
	East Dagga	6	4,733	4-6	169	11	9	30	25	350	344	644	630	3-51	3-48	110	107	3-4	3-4	20-56	20-49	0-79	0-77	
	F. S. Geduld	9	3,023	21-4	939	9	8	96	95	1,406	1,332	865	844	7-82	7-73	753	726	17-4	17-2	8-98	9-01	14-16	13-78	
	P. Brand	9	4,174	18-0	972	9	8	84	89	722	918	1,090	1,043	6-28	6-11	860	851	15-8	16-3	7-95	7-48	13-67	14-33	
	P. Steyn	9	5,177	8-0	367	9	11	91	81	408	437	968	914	6-30	6-21	362	356	7-5	7-8	16-84	15-96	3-15	3-53	
	S.A. Lands	6	3,344	6-1	273	14	16	41	33	446	453	642	576	4-15	4-31	130	120	4-0	4-2	20-47	20-71	0-95	0-89	
	Springs	6	615	4-0	173	8	9	38	26	376	377	560	617	3-14	3-20	78	86	2-8	2-8	22-53	22-98	0-37	0-28	
	Vaal Reefs	6	3,325	9-9	394	11	17	79	78	591	648	626	578	6-65	6-58	292	260	9-3	9-0	14-25	14-63	5-08	4-68	
	Welkom	9	4,158	7-6	322	13	11	79	83	498	454	888	881	6-66	6-39	282	278	6-4	6-3	20-95	20-25	1-36	1-51	
W. Holdings	9	5,180	16-8	786	12	12	80	85	1,156	1,037	1,476	1,307	5-60	5-65	1,012	865	13-7	13-2	8-18	8-54	11-70	10-92		
W. Reefs	6	6,062	6-6	326	17	22	61	60	585	632	893	836	5-34	5-18	260	236	5-8	5-6	18-38	18-38	1-97	1-88		
Central Mining	Blyvoor	12	6,136	13-8	586	15	18	79	81	590	627	1,622	1,530	6-42	6-49	1,047	1,003	12-9	13-1	9-95	9-89	9-84	9-93	
	City Deep	6	3,151	5-9	236	6	8	14	38	383	363	681	672	5-16	5-11	142	140	4-1	4-2	24-85	24-58	0-06	0-10	
	Cons. M. R.	12	227	6-7	261	1	7	31	14	372	361	591	971	5-21	4-70	125	189	4-2	3-9	24-58	24-19	0-13	0-16	
	Crown	6	4,342	5-2	238	12	12	15	25	332	348	1,086	1,192	4-36	4-18	189	202	3-5	3-4	25-09	24-73	0-01	0-03	
	Durban Deep	6	7,794	4-1	235	20	25	50	51	336	339	1,145	1,148	4-15	4-08	213	210	3-7	3-7	22-37	22-25	0-51	0-52	
	E. Rand Prop.	6	5,451	5-9	293	7	4	34	38	448	483	1,418	1,311	5-06	5-49	317	329	4-5	5-0	22-66	21-87	0-55	0-80	
	Harmony	12	5,651	8-4	436	9	14	87	77	525	514	2,116	1,760	6-35	6-45	858	704	8-1	8-0	15-66	16-14	3-87	3-57	
	Modder East	12	141	5-0	193	1	3	36	32	246	181	1,043	1,629	2-60	2-42	108	158	2-1	1-9	25-12	24-94	0-02	0-01	
	Rose Deep	6	132	6-8	303	—	—	—	—	—	—	134	148	4-60	4-27	24	26	3-6	3-5	25-34	24-55	L0-04	0-10	
	T'vaal G.M.E.	6	102	12-5	—	2	2	—	10	—	416	40	42	9-26	7-00	11	11	5-5	5-4	33-98	26-02	0-51	0-35	
J.C.I.	E. Cl'p d'Or	6	84	0-8	23	2	4	39	31	34	39	73	73	5-28	5-22	2	2	0-4	0-5	—	—	1-01	0-38	
	Freddies Cons.	6	800	5-3	212	2	4	55	56	380	337	379	353	6-12	7-22	78	79	4-1	4-5	29-55	32-08	L0-78	L1-45	
	Govt. G.M.A.	6	152	6-2	446	—	—	—	—	—	—	248	317	5-92	5-27	42	54	3-4	3-4	34-77	31-10	L0-41	0-04	
	Randfontein	6	100	4-9	230	—	1	—	70	—	364	103	140	4-36	4-68	18	27	3-4	3-9	—	—	0-10	0-27	
Union Corporation	E. Geduld	6	6,100	5-8	313	3	1	49	15	180	152	758	798	3-71	3-56	216	235	5-7	5-9	13-04	12-08	3-45	3-82	
	Geduld Prop.	6	350	3-7	211	2	2	8	37	245	306	470	439	3-52	3-85	76	79	3-2	3-6	21-89	21-41	0-54	0-66	
	Grootvlei	6	11,500	4-4	216	11	10	47	55	249	263	1,295	1,286	3-19	3-10	268	268	4-1	4-2	15-40	14-87	2-02	2-12	
	Marievale	6	5,500	5-1	240	7	8	33	40	237	291	587	591	3-62	3-59	142	145	4-8	4-9	14-98	14-65	2-46	2-54	
	St. Helena	6	5,000	8-0	448	17	11	60	53	704	711	1,091	952	4-32	4-29	383	321	7-0	6-7	12-33	12-73	4-50	4-15	
	Van Dyk	6	225	3-9	195	1	5	34	45	296	262	441	435	3-81	3-94	70	73	3-2	3-4	24-00	23-50	0-19	0-27	
	Winkelhaak	6	2,700	7-2	432	13	13	65	88	465	569	567	500	4-91	4-98	193	156	6-8	6-2	14-44	15-98	3-67	2-83	
General Mining	Buffelsfontein	12	4,992	9-7	550	27	21	93	88	650	597	1,781	1,726	5-94	5-65	755	672	8-5	7-8	14-02	14-53	4-76	4-09	
	Ellaton	12	99	9-4	408	2	1	60	50	654	384	312	354	4-44	4-07	74	83	4-7	4-7	18-85	17-38	1-48	1-79	
	Stillfontein	6	5,245	9-7	396	16	12	79	78	454	409	1,052	950	6-53	6-60	476	428	9-0	9-0	14-44	14-64	4-87	4-69	
	S. Roopepoort	12	1,095	4-8	226	10	11	37	41	256	252	356	358	4-60	4-50	86	86	4-8	4-8	19-07	18-85	1-53	1-50	
	W. Rand Cons.	6	4,579	3-4	166	14	10	73	71	322	302	797	783	3-64	3-64	119	118	3-0	3-0	—	—	0-26	0-08	
Anglo-T'vaal	Hartebeest	12	4,265	8-4	334	45	43	83	84	413	395	1,522	1,237	6-57	6-61	705	604	9-3	9-8	14-18	13-52	5-10	5-63	
	Lorraine	9	1,234	6-9	313	10	11	69	41	772	506	744	703	6-43	5-75	188	147	5-1	4-2	25-42	27-58	L0-04	L0-53	
	Rand Leases	12	1,095	4-0	189	15	30	47	38	295	284	2,272	2,226	3-54	3-54	317	333	2-8	3-0	25-41	23-68	0-01	0-02	
	Virginia	6	2,488	5-4	272	8	14	24	30	615	296	798	795	6-03	5-40	163	173	4-1	4-4	29-48	24-78	L0-88	0-07	
Others	N. Klein	6	904	3-6	162	6	6	26	31	249	248	438	469	3-40	3-22	60	61	2-8	2-6	24-61	24-88	0-08	0-02	
	Spaarwater	6	254	5-7	210	4	5	24	26	320	286	67	65	8-04	7-70	22	20	6-5	6-2	24-75	24-71	0-09	0-09	
	Wit Nigel	12	737	4-7	172	14	13	29	26	508	236	238	227	5-15	5-31	52	52	4-4	4-6	23-46	23-00	0-38	0-48	

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA, LIMITED

GOLD MINING COMPANIES' DIRECTORS' ABRIDGED REPORTS FOR THE QUARTER ENDED 30th JUNE, 1961

All Companies mentioned are incorporated in the Republic of South Africa)

DAGGAFONTEIN MINES, LIMITED

	Quarter Ended	
	30 June	31 March
OPERATING RESULTS		
Gold		
Tons milled.....	683,000	673,000
Ounces fine.....	138,134	135,828
Yield per ton—dwt.....	4.04	4.04
Cost per ton milled.....	R3.06	R3.09
	(30s. 7d.)	(30s. 11d.)
Profit per ton milled.....	R2.02	R2.00
	(20s. 2d.)	(20s. 0d.)
Uranium		
Uranium oxide produced—lb.....	72,644	125,033
Yield per ton treated—lb.....	0.645	0.316
FINANCIAL		
Gold—Working profit.....	R1,377,255	R1,343,178
	(£688,627)	(£671,589)
Uranium—Estimated working profit.....	R459,000	R423,799
	(£229,500)	(£211,899)
Royalties receivable.....	R291,000	R291,201
	(£145,500)	(£145,600)
Sulphuric Acid—Estimated working profit.....	R72,000	R72,000
	(£36,000)	(£36,000)
Total Profit from Gold, Uranium, Acid and Royalties.....	R2,199,255	R2,130,178
	(£1,099,627)	(£1,065,089)
Uranium Loan Repayments (including interest).....	R281,551	R281,550
	(£140,775)	(£140,775)
Taxation and State's share of profits—estimated.....	R1,102,015	*R1,141,763
	(£551,007)	(£570,881)
Capital expenditure.....	R4,457	R12,150
	(£2,228)	(£6,075)
DEVELOPMENT		
Main Reef Leader		
Footage driven.....	3,411	3,541
Feet sampled.....	3,250	3,295
Feet payable.....	1,365	1,415
Percentage payability.....	42.0	42.9
Average gold value—dwt. per ton.....	15.20	18.56
Width—inches.....	17.68	12.72
Equivalent inch-dwt.....	269	236
Kimberley Reef		
Footage driven.....	5,424	5,263
Feet sampled.....	5,140	4,585
Feet payable.....	2,400	2,325
Percentage payability.....	46.7	50.7
Average gold value—dwt. per ton.....	14.02	12.63
Average uranium oxide value—lb. per ton.....	0.91	0.96
Width—inches.....	34.68	32.20
Equivalent inch-dwt.....	486	407
Equivalent inch-lb.....	31.69	30.97

*Adjusted figure.

BRAKPAN MINES, LIMITED

	Quarter Ended	
	30 June	31 March
OPERATING RESULTS		
Gold		
Tons milled.....	430,000	425,000
Ounces fine.....	55,120	52,781
Yield per ton—dwt.....	2.56	2.48
Cost per ton milled.....	R2.87	R2.88
	(28s. 8d.)	(28s. 10d.)
Profit per ton milled.....	R0.35	R0.26
	(3s. 6d.)	(2s. 7d.)
Working profit.....	R151,223	R109,837
	(£75,611)	(£54,918)
FINANCIAL		
Taxation and State's Share of Profits—estimated.....	R42,591	R19,808
	(£21,295)	(£9,904)
Capital Recoupments.....	R19,005	R2,000
	(£9,502)	(£1,000)
DEVELOPMENT		
Footage driven.....	4,197	4,484
Feet sampled.....	3,505	3,530
Feet payable.....	670	450
Percentage payability.....	19.1	12.7
Average value—dwt. per ton.....	19.97	15.35
Width—inches.....	44.49	58.61
Equivalent inch-dwt.....	888	900

SPRINGS MINES, LIMITED

	Quarter Ended	
	30 June	31 March
OPERATING RESULTS		
Gold		
Tons milled.....	282,000	278,000
Ounces fine.....	39,605	38,374
Yield per ton—dwt.....	2.81	2.76
Cost per ton milled.....	R3.11	R3.16
	(31s. 1d.)	(31s. 7d.)
Profit per ton milled.....	R0.41	R0.32
	(4s. 1d.)	(3s. 2d.)
Working profit.....	R117,095	R88,744
	(£58,547)	(£44,372)
FINANCIAL		
Taxation and State's share of profits—estimated.....	R25,774	R23,131
	(£12,887)	(£11,565)
Capital recoupments.....	R21,199	R7,137
	(£10,599)	(£3,568)
DEVELOPMENT		
Footage driven.....	4,483	4,256
Feet sampled.....	3,875	3,625
Feet payable.....	1,520	1,345
Percentage payability.....	39.2	37.1
Average value—dwt. per ton.....	20.20	12.24
Width—inches.....	21.93	24.62
Equivalent inch-dwt.....	443	301

WELKOM GOLD MINING COMPANY, LIMITED

	Quarter Ended	
	30 June	31 March
OPERATING RESULTS		
Gold		
Tons milled.....	302,500	291,000
Ounces fine.....	97,098	91,348
Yield per ton—dwt.....	6.42	6.28
Cost per ton milled.....	R6.76	R6.68
	(67s. 7d.)	(66s. 10d.)
Profit per ton milled.....	R1.31	R1.22
	(13s. 1d.)	(12s. 2d.)
Working Profit.....	R394,892	R354,201
	(£197,446)	(£177,100)
Uranium		
Share of Joint Scheme Profit.....	R353,000	R353,500
	(£176,500)	(£176,750)
Total Profit from Gold and Uranium.....	R747,892	R707,701
	(£373,946)	(£353,850)
FINANCIAL		
Taxation.....		
Capital Expenditure—Gold and Uranium including contributions towards capital cost of Pres. Steyn uranium plant less recoupments.....	R66,712	Cr. R40,641
	(£33,356)	(£20,320)
Interest Charges (excluding interest on uranium loans).....	R69,000	R79,460
	(£34,500)	(£39,730)
Loan Repayments		
5 per cent debentures.....	R1,342	R341,000
	(£671)	(£170,500)
Uranium loans (comprising redemption and interest).....	R255,291	R255,290
	(£127,645)	(£127,645)

DEVELOPMENT		
Footage driven.....	23,927	21,918
Feet sampled.....	3,495	4,180
Feet payable.....	2,655	3,690
Percentage payability.....	76.0	88.3
Average value—dwt. per ton.....	65.99	112.91
Width—inches.....	6.38	5.04
Equivalent inch-dwt.....	421	569
SHAFT SINKING		
No. 5 Vertical Ventilation Winze		
Footage sunk in quarter.....	1,363	45
Depth to date—feet.....	1,408	45

The estimated total profit from gold and uranium for the nine months ended 30th June, 1961, was R2,260,597 (£1,130,298).

THE SOUTH AFRICAN LAND AND EXPLORATION COMPANY, LIMITED

	Quarter Ended 30 June	31 March
OPERATING RESULTS		
Gold		
Tons milled	332,000	310,500
Ounces fine	66,742	63,369
Yield per ton—dwt.	4.02	4.08
Cost per ton milled	R4.12	R4.17
	(41s. 2d.)	(41s. 8d.)
Profit per ton milled	R0.93	R0.97
	(9s. 4d.)	(9s. 8d.)
Working profit	R308,507	R300,433
	(£154,253)	(£150,216)
FINANCIAL		
Taxation and State's share of profits—estimated	R3,426	R4,327
	(£1,713)	(£2,163)
Capital expenditure	R443,117	R316,608
	(£221,558)	(£158,304)
DEVELOPMENT		
Mining Lease Area		
Footage driven	3,964	4,403
Feet sampled	2,150	2,940
Feet payable	830	1,005
Percentage payability	38.6	34.2
Average value—dwt. per ton	17.76	11.17
Width—inches	34.84	29.70
Equivalent inch-dwt.	619	332
Outside Mining Lease Area—(Withok No. 131 I.R.)		
Footage driven	7,545	6,347
Feet sampled	4,735	3,725
Feet payable	2,020	1,730
Percentage payability	42.7	46.4
Average value—dwt. per ton	17.49	15.62
Width—inches	25.97	25.41
Equivalent inch-dwt.	454	397
SHAFT SINKING		
No. 3A Sub-vertical Shaft		

The shaft has been sunk to a depth of 283 feet below 41 level.

PRESIDENT BRAND GOLD MINING COMPANY, LIMITED

	Quarter Ended 30 June	31 March
OPERATING RESULTS		
Gold		
Tons milled	378,000	359,500
Ounces fine	296,386	283,376
Yield per ton—dwt.	15.68	15.77
Cost per ton milled	R6.35	R6.26
	(63s. 6d.)	(62s. 7d.)
Profit per ton milled	R13.35	R13.62
	(133s. 6d.)	(136s. 2d.)
Working profit	R5,045,750	R4,895,761
	(£2,522,875)	(£2,447,880)
Uranium		
Share of Joint Scheme Profit	R272,000	R267,500
	(£136,000)	(£133,750)
Total Profit from Gold and Uranium	R5,317,750	R5,163,261
	(£2,658,875)	(£2,581,630)
The estimated total profit from gold and uranium for the nine months ended 30th June, 1961, was R15,693,789 (£7,846,894).		
FINANCIAL		
Taxation and State's share of Profits—estimated	R2,788,000	R2,495,100
	(£1,394,000)	(£1,247,550)
Capital Expenditure—Gold and Uranium including contributions towards capital cost of President Steyn and Welkom uranium plants	R676,207	R755,610
	(£338,103)	(£377,805)
DEVELOPMENT		
Footage driven	24,543	21,603
Feet sampled	4,265	1,895
Feet payable	3,505	1,730
Percentage payability	82.2	91.3
Average value—dwt. per ton	98.20	114.54
Width—inches	6.28	8.32
Equivalent inch-dwt.	617	953

REEF INTERSECTION

Borehole S.P.8 on the farm Stuurmanspan, situated approximately 6,200 feet south-south-east of No. 2 Shaft and 3,500 feet due east of Borehole S.P.7, intersected the Basal Reef at a depth of 6,801 feet. The reef assayed 14.5 dwt. of gold per ton over a width of 34 inches, equivalent to 493 inch-dwt.

In a deflection, the Basal Reef was intersected at a depth of 6,799 feet and assayed 12.8 dwt. of gold per ton over a width of 31½ inches, equivalent to 403 inch-dwt.

In a second deflection, the Basal Reef was again intersected at a depth of 6,799 feet and assayed 7.4 dwt. of gold per ton over a width of 38½ inches, equivalent to 285 inch-dwt.

Core recovery was complete in all intersections and no further deflections will be made.

VAAL REEFS EXPLORATION AND MINING COMPANY, LIMITED

	Quarter Ended 30 June	31 March
OPERATING RESULTS		
Gold		
Tons milled	318,000	308,500
Ounces fine	148,666	143,454
Yield per ton—dwt.	9.35	9.30
Cost per ton milled	R6.65	R6.63
	(66s. 6d.)	(66s. 4d.)
Profit per ton milled	R5.08	R5.08
	(50s. 10d.)	(50s. 10d.)
Uranium (Joint Production Scheme)		
Uranium oxide produced—lb.	403,523	369,585
Yield per ton treated—lb.	0.448	0.472
Estimated working profit of joint scheme (before charging royalties)	R1,648,000	R1,672,901
	(£824,000)	(£836,450)
FINANCIAL		
Gold—Working profit	R1,614,880	R1,567,950
	(£807,440)	(£783,975)
Uranium—Share of Joint Scheme Working Profit	R1,073,000	R1,087,236
	(£536,500)	(£543,618)
Total Working Profit from Gold and Uranium	R2,687,880	R2,655,186
	(£1,343,940)	(£1,327,593)
Uranium—Royalties payable	R639,000	R643,436
	(£319,500)	(£321,718)
Uranium Loans		
Repayments (including interest)	R140,316	R140,316
	(£70,158)	(£70,158)
Interest-free loans receivable	R334,100	R334,100
	(£167,050)	(£171,700)
Taxation's and State's Share of Profits—estimated	—	—
Capital Expenditure	R991,731	R796,634
	(£495,856)	(£398,317)
DEVELOPMENT		
Footage driven	26,380	25,015
Feet sampled	4,215	6,510
Feet payable	3,320	5,150
Percentage payability	78.8	79.1
Average gold value—dwt. per ton	75.93	62.46
Average Uranium oxide value—lb. per ton	5.87	3.94
Width—inches	6.69	10.31
Equivalent inch-dwt.	508	644
Equivalent inch-lb.	39.25	40.63

The extension of the reduction plant from a milling capacity of 100,000 to 125,000 tons per month was completed.

JOINT URANIUM PRODUCTION SCHEME

The laying of the pipeline from this mine for the conveyance of uranium bearing slimes for treatment at the Western Reefs uranium plant was completed. The treatment of both companies' uranium bearing slimes is now in operation there and this company's uranium plant has been placed on a care and maintenance basis.

WESTERN HOLDINGS LIMITED

	Quarter Ended 30 June	31 March
OPERATING RESULTS		
Gold		
Tons milled	520,000	489,000
Ounces fine	357,580	336,159
Yield per ton—dwt.	13.75	13.75
Cost per ton milled	R5.62	R5.58
	(56s. 2d.)	(55s. 10d.)
Profit per ton milled	R11.66	R11.74
	(116s. 7d.)	(117s. 5d.)
Working profit	R6,062,762	R5,743,271
	(£3,031,381)	(£2,871,635)
The estimated working profit for the nine months ended 30th June 1961 was R17,263,483 (£8,631,741).		
FINANCIAL		
Taxation and State's share of profits—estimated	R3,773,500	R3,332,100
	(£1,886,750)	(£1,666,050)
Capital Expenditure	R463,716	R580,085
	(£231,858)	(£290,042)
DEVELOPMENT		
Footage driven	31,169	29,494
Feet sampled	4,205	3,160
Feet payable	3,205	2,435
Percentage payability	76.2	77.1
Average value—dwt. per ton	109.36	145.52
Width—inches	9.87	8.14
Equivalent inch-dwt.	1,079	1,185
SHAFT SINKING		
No. 1A Ventilation Shaft		
Footage sunk in quarter	1,130	1,727
Depth to date—feet	4,563	3,433
	(final depth)	

BOREHOLE RESULT

Area South of the Vaal River

Borehole PK.11, situated on the farm Pretorius Kraal No. 53 approximately 3,000 feet north-west of Borehole PK.7, intersected dykes between 6,437 feet and 6,898 feet, passing at this latter point into the footwall of the Vaal Reef. Two deflections failed to intersect the Vaal Reef and the borehole was abandoned on 21st June, 1961.

WESTERN REEFS EXPLORATION AND DEVELOPMENT COMPANY, LIMITED

	Quarter 30 June	Ended 31 March
OPERATING RESULTS		
Gold		
Tons milled	464,000	429,000
Ounces fine	135,267	124,412
Yield per ton—dwt.	5.83	5.80
Cost per ton milled	R5.28	R5.41
	(52s. 10d.)	(54s. 1d.)
Profit per ton milled	R2.04	R1.90
	(20s. 5d.)	(19s. 0d.)
Uranium (Joint Production Scheme)		
Uranium oxide produced—lb.	403,523	369,585
Yield per ton treated—lb.	0.448	0.472
Estimated working profit of joint scheme (before charging royalties)	R1,648,000 (£824,000)	R1,672,901 (£836,450)
FINANCIAL		
Gold—Working Profit	R945,967 (£472,983)	R815,480 (£407,740)
Uranium		
Share of Joint Scheme Working Profit	R575,000 (£287,500)	R585,665 (£292,832)
Sulphuric Acid		
Working Profit	R60,000 (£30,000)	R60,000 (£30,000)
Total Working Profit from Gold, Uranium, and Sulphuric Acid	R1,580,967 (£790,483)	R1,461,145 (£730,572)
Uranium—Royalties payable	R342,000 (£171,000)	R346,465 (£173,232)
Uranium Loans		
Repayments (including interest)	R338,364 (£169,182)	R338,364 (£169,182)
Interest-free loans receivable	R179,900 (£89,950)	R12,600 (£6,300)
Capital Expenditure	R993,159 (£496,579)	R451,861 (£225,930)
Taxation and State's share of profits—estimated	R334,174 (£167,087)	R371,854 (£185,927)

DEVELOPMENT

Mining Lease Area (including Goedgenoeg area)

(a) Ventersdorp Contact and Elsburg Reefs:

Footage driven	2,907	3,302
Feet sampled	1,515	1,640
Feet payable	700	870
Percentage payability	46.2	53.0
Average gold value—dwt. per ton	12.15	11.15
Average uranium oxide value—lb. per ton	0.31	0.27
Width—inches	34.63	44.18
Equivalent inch-dwt.	421	493
Equivalent inch-lb.	10.70	11.98
(b) Vaal Reef:		
Footage driven	11,302	9,742
Feet sampled	3,095	2,610
Feet payable	2,320	1,950
Percentage payability	75.0	74.7
Average gold value—dwt. per ton	91.08	70.30
Average uranium oxide value—lb. per ton	7.02	5.83
Width—inches	6.99	8.99
Equivalent inch-dwt.	637	632
Equivalent inch-lb.	49.10	52.37

Nooitgedacht Area (including the portion over which an application for a mining lease has been made)—Results of development on Ventersdorp Contact and Elsburg Reefs.

Footage driven	10,771	7,783
Feet sampled	4,815	3,125
Feet payable	2,755	1,640
Percentage payability	57.2	52.5
Average gold value—dwt. per ton	11.21	13.36
Average uranium oxide value—lb. per ton	0.40	0.35
Width—inches	50.15	47.84
Equivalent inch-dwt.	562	639
Equivalent inch-lb.	20.22	16.88

NO. 4 SHAFT
Work preparatory to full scale sinking has taken the shaft to a depth of 312 feet below collar and actual sinking is expected to commence in July 1961.

JOINT URANIUM PRODUCTION SCHEME

The alterations and additions to the uranium plant and the laying of the pipeline for the conveyance of uranium bearing slimes from Vaal Reefs Exploration and Mining Company Limited for treatment at this Company's uranium plant were completed, and both companies' uranium bearing slimes are now being treated at this plant.

PRESIDENT STEYN GOLD MINING COMPANY, LIMITED

	Quarter 30 June	Ended 31 March
OPERATING RESULTS		
Gold		
Tons milled	330,000	320,000
Ounces fine	123,628	119,873
Yield per ton—dwt.	7.49	7.49
Cost per ton milled	R6.40	R6.25
	(64s. 0d.)	(62s. 6d.)
Profit per ton milled	R3.02	R3.17
	(30s. 2d.)	(31s. 8d.)
Working profit	R995,628 (£497,814)	R1,013,322 (£506,661)

PRESIDENT STEYN GOLD MINING COMPANY, LIMITED—Continued

Uranium (Share of Joint Scheme Profit)	R373,000 (£186,500)	R370,000 (£185,000)
Total Profit from Gold and Uranium	R1,368,628 (£684,314)	R1,383,322 (£691,661)
The estimated total profit from gold and uranium for the nine months ended 30th June, 1961, was R4,153,330 (£2,076,665).		
FINANCIAL		
Capital expenditure: gold and uranium, including contributions towards capital cost of Welkom uranium plant less recoupments	R1,197,543 (£598,771)	R742,388 (£371,194)
Taxation		
Interest charges (excluding interest on uranium loans)	R150,566 (£75,283)	R86,783 (£43,391)
Uranium loan repayments (comprising redemption and interest)	R245,775 (£122,887)	R245,774 (£122,887)

DEVELOPMENT

Basal Reef		
Footage driven	18,184	15,297
Feet sampled	3,440	2,850
Feet payable	3,045	2,590
Percentage payability	88.5	90.9
Average value—dwt. per ton	22.95	34.94
Width—inches	18.13	11.79
Equivalent inch-dwt.	416	412

EAST DAGGAFONTEIN MINES, LIMITED

	Quarter 30 June	Ended 31 March
OPERATING RESULTS		
Gold		
Tons milled	323,500	320,500
Ounces fine	55,378	54,690
Yield per ton—dwt.	3.42	3.41
Cost per ton milled	R3.52 (35s. 0d.)	R3.50 (35s. 0d.)
Profit per ton milled	R0.78 (7s. 10d.)	R0.80 (8s. 0d.)
Working profit	R250,729 (£125,364)	R255,812 (£127,906)
FINANCIAL		
Taxation—estimated	R98,259 (£49,129)	R107,611 (£53,805)
Capital recoupments	R4,525 (£2,262)	R2,819 (£1,409)
DEVELOPMENT		
Main Reef Leader		
Footage driven	2,235	2,080
Feet sampled	1,480	1,555
Feet payable	620	555
Percentage payability	41.9	35.7
Average value—dwt. per ton	15.32	13.44
Width—inches	16.58	19.07
Equivalent inch-dwt.	254	256
Kimberley Reef		
Footage driven	5,539	4,977
Feet sampled	4,455	3,475
Feet payable	1,440	695
Percentage payability	32.3	20.0
Average value—dwt. per ton	69.61	54.76
Width—inches	6.78	4.71
Equivalent inch-dwt.	472	258

WESTERN DEEP LEVELS LIMITED

	Quarter 30 June	Ended 31 March
DEVELOPMENT		
Footage driven	32,376	18,928
Feet sampled	6,305	2,610
Feet payable	4,745	1,950
Percentage payability	75.3	74.7
Average value—dwt. per ton	12.40	15.38
Width—inches	57.54	50.50
Equivalent inch-dwt.	713	777
SHAFT SINKING		
No. 2 Shaft System		
Ventilation shaft—footage sunk	—	66
Ventilation shaft—footage in stations, pump chambers, etc.	144	1,191
No. 3 Shaft System		
Ventilation shaft—footage sunk	530	434
Ventilation shaft—footage in stations, pump chambers, etc.	80	636
Shaft depths at 30th June	1961	1960
feet		
No. 2 Shaft System		
Ventilation shaft	6,143	5,800
No. 3 Shaft System		
Ventilation shaft	7,528	6,324
No. 2 SHAFT SYSTEM		
In the No. 2 shaft system, 4,992 feet were advanced, all of which were off reef.		
CAPITAL EXPENDITURE		
Expenditure on fixed assets during the quarter amounted to R5,187,046 (£2,593,523) bringing the total capital expenditure at 30th June, 1961 to R39,060,401 (£19,530,200).		

FREE STATE GEDULD MINES, LIMITED

	Quarter Ended	
	30 June	31 March
OPERATING RESULTS		
Gold		
Tons milled	294,500	287,000
Ounces fine	257,147	250,541
Yield per ton—dwt.	17.46	17.46
Cost per ton milled	R7.84	R7.79
	(78s. 5d.)	(77s. 11d.)
Profit per ton milled	R14.10	R14.21
	(141s. 0d.)	(142s. 1d.)
Working profit	R4,154,062	R4,078,049
	(£2,077,031)	(£2,039,024)
The estimated working profit for the nine months ended 30th June 1961 was		
	R12,253,625	(£6,126,812).
FINANCIAL		
Taxation	R1,586,000	R745,000
	(£793,000)	(£372,500)
Capital Expenditure	R983,262	R697,929
	(£491,631)	(£348,964)
DEVELOPMENT		
Footage driven	31,129	27,709
Feet sampled	3,785	2,910

Feet payable	3,635	2,835
Percentage payable	96.0	97.4
Average value—dwt. per ton	186.00	313.66
Width—inches	6.93	5.27
Equivalent inch-dwt.	1,289	1,653
The results obtained in the areas of the individual shafts were:—		
No. 1 Shaft Area		
Feet sampled	2,355	690
Feet payable	2,300	650
Percentage payable	97.7	94.2
Average value—dwt. per ton	162.25	259.24
Width—inches	7.10	5.52
Equivalent inch-dwt.	1,152	1,431
No. 2 Shaft Area		
Feet sampled	1,430	2,220
Feet payable	1,335	2,185
Percentage payable	93.4	98.4
Average value—dwt. per ton	229.67	330.58
Width—inches	6.64	5.20
Equivalent inch-dwt.	1,525	1,719
SHAFT SINKING		
No. 4 Shaft		
Footage sunk in quarter	966	200
Depth to date—feet	1,166	200

1. The South African decimal currency system became effective on 14th February, 1961. South African currency is now expressed in Rand and cents, there being 100 cents in a Rand. For the convenience of shareholders the sterling equivalent is given in brackets below each monetary figure in these reports. £1 is equivalent to two Rand.

2. The development values in all these companies' reports represent actual results of sampling, no allowance having been made for adjustments which are necessary in estimating ore reserves.

3. Copies of the complete quarterly report of any company may be had on application to the London Secretaries, 40 Holborn Viaduct, E.C.1.

London Office : 40 Holborn Viaduct, E.C.1

14th July, 1961.

For and on behalf of
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA, LIMITED,
R. V. PRITCHARD, Joint London Secretary.

record has been one of a successive tightening up of import and currency controls, and of progressive restrictions on the supply of credit in an effort to defend the country's reserves in the face of the persistent net outflow of capital.

It must be stressed that during the first five months of this year South Africa's visible trade balance has been running at a more favourable level than in the same period last year (R155,700,000 against R130,900,000). Even after allowing for dividends and other invisible payments, the favourable balance to the end of May this year was still R40,700,000 against R33,900,000 in the corresponding period of 1960. Nevertheless, in the first five months of 1960 there was a net loss in gold and foreign reserves of R71,800,000 and, but for I.M.F. and Export-Import Bank loans, the net loss this year would have been as much as R43,200,000, which underlines the rate at which capital has been leaving the country.

The Blocking of Security Rand

The final blow to the stock market came on June 16 with the blocking of the security rand. Economic historians will doubtless speculate on whether this restriction need have been imposed at all or whether the Finance Minister's earlier measures would not of themselves have done the trick. However it is easy to be wise after the event and, with the imminent maturing of government loans subscribed from overseas and no precise certainty as to how quickly the existing measure would become effective, the government can hardly be blamed for taking every possible precaution in a potentially disastrous situation.

In any event there is the real possibility that the grant of the I.M.F. standby credit of R53,000,000 on July 5, was dependent on steps being taken to halt the capital outflow, for it is a condition of the I.M.F. regulations that such credits are not granted to offset the effects of a sustained outflow of capital.

Position now Stabilised

As the first step to her economic recovery, it is now apparent that the Republic's balance of payments position has become stabilised and, without allowing for the new I.M.F. credit, there has already been a gain in exchange reserves of R10,000,000 in the four weeks following June 16, which is against the seasonal trend. Even though maturing foreign loans (excluding those from the I.M.F.) may have to be repaid to the extent of R150,000,000 during the next eighteen months, this period should still see a substantial improvement in the Republic's balance of payments as a result of the stopping of the capital outflow and of the recent abnormal remissions of accumulated profits, which together might easily account for R200,000,000 in a full year.

It must also be remembered that the new import controls (aimed at saving R200,000,000 in the first year), and the cuts in foreign travel allowances and emigrants capital transfers (which might save another R60,000,000) can hardly have begun to show their effect in South Africa's trade returns for the first five months of the year, while the effect of the amnesty on the repatriation of South African owned capital held illegally abroad has also still to be seen. On the other hand, it is unlikely that the full cut in the import bill can be maintained once excess inventories have been run down to the point where some relaxation in the controls becomes necessary to keep industry ticking over.

Meanwhile as a result of the blocking of the security rand, we now have a complete separation of the London and Johannesburg markets, with prices on both still, as we write, in the process of finding their own new levels.

In the case of the Johannesburg market the effect has been for prices of the post-war producing mines in general to rise during the past five weeks even though they have now gone ex-dividend and there seems no reason why prices should not remain

firm and quick to react to favourable news. In the first place, the persistent flow of institutional funds on to the Johannesburg market will no longer have to soak up foreign selling (which accounted for almost 50 per cent of shares sold in the last six months of 1960) and will consequently now exert their full influence on a local market where scrip is generally speaking tightly held.

Secondly, there will be an increasing inclination among private investors to buy into gold shares, partly because neither fears of devaluation nor gold price hopes are entirely dead in South Africa, but equally because the isolation of the Johannesburg market is now complete and there is no opportunity of hedging out of the Republic.

There is thus every incentive today for South Africans with idle funds to put them into equities and it is difficult to see what can stop this weight of money exerting an upward pressure on share prices, at least to the point where the yield on equities becomes relatively unattractive in relation to yields of around 6 per cent on longer dated gilt-edged.

There are indeed signs that this may already be happening as the *Financial Mail* composite gold share index which stood at exactly 100.00 on June 16 was at 100.86 on July 4 on an ex div. basis which is equivalent to a rise of 3 or 4 points over the five week period.

Despite the relatively much lower yields on equities which in many countries it is now fashionable to accept, it may well be asked how much further the Johannesburg Kaffir market need in fact rise before reaching a point at which the attractions of gilt-edged will become apparent. The average yield on mining finance shares is now about 7½ per cent or, in the case of the newer mines 8 per cent, and it must be remembered that, although Kaffirs have in general been undervalued this past year on the basis of their intrinsic worth, the earnings potential, which clearly has been

Continued on page 9

ANGLO-TRANSVAAL CONSOLIDATED INVESTMENT CO., LIMITED.

Extracts from the Directors' Reports of the Mining Companies associated with the Group for the quarter ended 30th June, 1961, with the comparative figures for the quarter ended 31st March, 1961

Development results are based on actual sampling. No allowance has been made for adjustment necessary in the valuation of the corresponding ore reserves.

(All Companies mentioned are incorporated in the Republic of South Africa)

HARTEBEESTFONTEIN GOLD MINING COMPANY, LIMITED.

	Quarter ended 30/6/61	Quarter ended 31/3/61
GOLD PRODUCTION		
Tons milled	408,000	387,000
Yield—ounces fine	187,359	178,985
dwt. per ton milled	9.184	9.250
URANIUM PRODUCTION		
Tons treated	406,000	391,000
Yield—lb. of uranium oxide	281,014	258,954
lb. per ton treated	.692	.662
FINANCIAL INFORMATION		
Working profit from gold	R2,157,442 (£1,078,721)	R2,001,975 (£1,000,987)
Working profit from uranium oxide	R1,273,000 (£636,500)	R1,332,000 (£666,000)
Total Working Profit	R3,430,442 (£1,715,221)	R3,333,975 (£1,666,987)
Interest paid	R88,420 (£44,210)	R80,115 (£40,057)
Uranium royalties	R721,350 (£360,675)	R721,350 (£360,675)
Pneumoconiosis—Additional Outstanding Liability	R23,267 (£11,633)	—
Capital expenditure	R954,811 (£477,405)	R625,582 (£312,791)
Estimated taxation and State's share of profits to date	R4,005,000 (£2,002,500)	R3,250,000 (£1,625,000)
Loans received	R1,162,000 (£581,000)	R362,000 (£181,000)
Loans repaid	R158,451 (£79,225)	R144,237 (£72,118)
Gold working costs per ton milled	R6.60 (66/-)	R6.63 (66/4)
Gold working costs per ounce fine	R14.37 (143/8)	R14.34 (143/5)
Treatment costs per lb. of uranium oxide	R2.32 (23/2)	R2.08 (20/10)
DEVELOPMENT		
Footage advanced	23,310	22,552
No. 1 Shaft Area		
Footage sampled	1,955	3,420
Footage payable	1,750 (89.5%)	2,895 (84.6%)
Channel width (inches)	16.9	19.7
Inch-dwt. (gold)	423	364
Inch-lb. (uranium oxide)	46.36	38.46
No. 2A and No. 3 Shaft Area		
Footage sampled	6,960	6,105
Footage payable	5,925 (85.1%)	4,900 (80.3%)
Channel width (inches)	10.8	10.4
Inch-dwt. (gold)	412	380
Inch-lb. (uranium oxide)	24.17	25.46
Total Mine		
Footage sampled	8,915	9,525
Footage payable	7,675 (86.1%)	7,795 (81.8%)
Channel width (inches)	12.2	13.9
Inch-dwt. (gold)	415	374
Inch-lb. (uranium oxide)	29.23	30.29
ORE RESERVE (Available)		
Estimated tonnage	4,265,000	
Value—Gold (dwt. per ton)	8.38	
Uranium (lb. per ton)	0.667	
Estimated Stopping Width (inches)	39.9	
SHAFT SINKING		
No. 4 Vertical Shaft		
Depth below collar	6,450 feet	5,558 feet
A total of 69,548 cubic feet was excavated in the cutting of 27,28 and 29 main stations.		
The shaft holed into the 29th level haulage advanced from No. 2A Shaft.		

ZANDPAN GOLD MINING CO., LTD.

	Quarter ended 30/6/61	Quarter ended 31/3/61
FINANCIAL INFORMATION		
Capital Expenditure	R678,167 (£339,083)	R561,974 (£280,987)
Total Capital Expenditure up to 30th June, 1961, amounted to R9,038,765 (£4,519,382).		
SHAFT SINKING		
Footage sunk	444 feet	988 feet
Depth below collar	6,976 feet	6,532 feet
A total of 106,645 cubic feet was excavated in the cutting of main stations at footwall depths of 6,660 feet, 6,800 feet and 6,950 feet, respectively, below the collar.		
The Vaal Reef was intersected at a depth of 6,852 feet below the collar, and a full exposure of the reef over the periphery of the shaft was completed at a depth of 6,855 feet. The reef was sampled at 5 feet intervals and 17 sections sampled gave an average value of 29.34 dwt. per ton over a channel width of 5.18 inches, equivalent to 152 inch-dwt.		

LORAINÉ GOLD MINES, LIMITED.

	Quarter ended 30/6/61	Quarter ended 31/3/61
GOLD PRODUCTION		
Tons milled	254,000	245,000
Yield—ozs. fine	72,190	61,860
dwt. per ton milled	5.684	5.050
FINANCIAL INFORMATION		
Working profit from gold	R100,060 (£50,030)	*R25,923 (£12,962)
Share of profit of Orange Free State joint uranium production scheme	R202,000 (£101,000)	R210,000 (£105,000)
Total Working Profit	R302,060 (£151,030)	R184,077 (£92,038)
Interest paid	R19,661 (£9,830)	R18,877 (£9,439)
Capital expenditure	R492,562 (£246,281)	R543,858 (£271,929)
Taxation and State's share of profits to date	R3,701 (£1,851)	—
Loans repaid	R6.82 (68/2)	R6.49 (64/10)
Gold working costs per ton milled	R23.99 (239/11)	R25.71 (257/1)
Gold working costs per oz. fine		
DEVELOPMENT		
Footage advanced	24,912	22,139
"B" Reef		
Footage sampled	Nil	565
Footage payable	—	425 (75.2%)
Channel width (inches)	—	19.6
Inch-dwt.	—	396
Elsburg Reef		
Footage sampled	3,670	2,390
Footage payable	2,565 (69.9%)	1,735 (72.6%)
Channel width (inches)	35.8	29.8
Inch-dwt.	720	821
Total Mine		
Footage sampled	3,670	2,955
Footage payable	2,565 (69.9%)	2,160 (73.1%)
Channel width (inches)	35.8	27.8
Inch-dwt.	720	737

EASTERN TRANSVAAL CONSOLIDATED MINES, LIMITED.

	Quarter ended 30/6/61	Quarter ended 31/3/61
GOLD PRODUCTION		
Tons milled	60,000	57,300
Yield—ounces fine	16,899	17,599
dwt. per ton milled	5.633	6.143
FINANCIAL INFORMATION		
Working profit	R76,260 (£38,130)	R81,776 (£40,888)
Capital expenditure	R49,054 (£24,527)	R27,563 (£13,781)
DEVELOPMENT		
Footage advanced	10,215	8,878
ORE RESERVE (Available)		
Tons	253,600	
Value (dwt./ton)	13.43	
Estimated stopping width (inches)	61.1	
SHAFT SINKING AND EQUIPPING		
Prince Consort Shaft		
Depth below collar at date	2,828 feet	2,804 feet

CONSOLIDATED MURCHISON (TRANSVAAL) GOLDFIELDS AND DEVELOPMENT COMPANY LIMITED.

	Quarter ended 30/6/61	Quarter ended 31/3/61
PRODUCTION		
Tons crushed	42,200	36,800
FINANCIAL INFORMATION		
Profit from antimony and gold	R80,318 (£40,159)	R194,908 (£97,454)
Capital expenditure	R13,530 (£6,765)	R2,737 (£1,368)
Estimated taxation to date	R79,800 (£39,900)	R57,000 (£28,500)
DEVELOPMENT		
Footage accomplished all of which was developed in connection with the antimony/gold ore bodies	3,517	2,454
Footage sampled	1,475	700
Payable footage on account of combined antimony and gold content	440	285
Percentage payable	30	41

VILLAGE MAIN REEF GOLD MINING COMPANY (1934) LIMITED.

	Quarter ended 30/6/61	Quarter ended 31/3/61
GOLD PRODUCTION		
Tons milled (including 25,610 tons from accumulated slimes)	108,400	98,600
Yield—ounces fine	12,067	12,379
dwt. per ton milled	2.226	2.511
FINANCIAL INFORMATION		
Working loss	R13,598 (£6,799)	R9,028 (£4,514)
Capital expenditure	R9,370 (£4,385)	R16,501 (£8,250)
Estimated taxation to date	R2.97 (29/8)	R3.28 (32/10)
Working costs per ton milled	R26.65 (266/6)	R26.18 (261/10)
Working cost per ounce fine		

GENERAL

The company has given the statutory three months notice in terms of section 8 of the Transvaal Precious and Base Metals Amendment Act No. 52 of 1926 of its intention to discontinue mining operations.

The exact date of closure of the mine will depend on the results obtained from the exploration of the Robinson Deep tribute area.

RAND LEASES (VOGELSTRIJSFONTEIN) GOLD MINING COMPANY LIMITED.

	Quarter ended 30/6/61	Quarter ended 31/3/61
GOLD PRODUCTION		
Tons milled	585,000	551,000
Yield—ounces fine	78,382	75,573
dwt. per ton milled	2.680	2.743
FINANCIAL INFORMATION		
Working loss	R64,138 (£32,069)	R21,400 (£10,700)
Capital expenditure	Credit R56 (£28)	R4,496 (£2,248)
Estimated taxation to date	Nil	R12,000 (£6,000)
Working costs per ton milled	R3.52 (35/2)	R3.52 (35/2)
Working costs per ounce fine	R26.29 (262/11)	R25.65 (256/6)
DEVELOPMENT		
Footage advanced	6,518	6,189
Footage sampled	2,640	2,805
Footage payable	1,390 (52.7%)	1,760 (62.7%)
Channel width (inches)	20.3	23.2
Inch-dwt. (gold)	274	313
ORE RESERVE (Available)		
Tons	1,095,000	
Value (dwt./ton)	4.05	
Estimated stoping width (inches)	46.7	

VIRGINIA ORANGE FREE STATE GOLD MINING COMPANY, LIMITED.

	Quarter ended 30/6/61	Quarter ended 31/3/61
GOLD PRODUCTION		
Tons milled	413,000	385,000
Yield—ozs. fine	82,365	80,834
dwt. per ton milled	3.989	4.199
URANIUM PRODUCTION		
Tons treated	272,290	351,780
Yield—lb. of uranium oxide	72,127	114,817
lb. per ton treated	0.265	0.326
FINANCIAL INFORMATION		
Working profit from uranium oxide	R236,234 (£118,117)	R286,303 (£143,152)
Uranium royalty receivable	R513,948 (£256,974)	R513,948 (£256,974)
Estimated profit from acid	R160,960 (£80,480)	R166,899 (£83,449)
Less—working loss from gold	R911,142 (£455,571)	R967,150 (£483,575)
Total Working Profit	R398,562 (£199,281)	R245,684 (£122,842)
Interest paid	R512,580 (£256,290)	R721,466 (£360,733)
Capital expenditure	R170,982 (£85,491)	R173,724 (£86,862)
Taxation and State's share of profits to date	R605,329 (£302,664)	R255,915 (£127,957)
Uranium loans repaid	R368,851 (£184,425)	R365,252 (£182,626)
Gold working costs per ton milled	R6.05 (60/6)	R6.00 (60/-)
Gold working costs per oz. fine	R30.36 (303/7)	R28.59 (285/11)
Treatment costs per lb. of uranium oxide	R3.71 (37/1)	R2.82 (28/2)

DEVELOPMENT

Sampling results of development on Basal and Leader
Reefs in the Virginia Lease Area:

Footage sampled	3,085	5,055
Footage payable	795 (25.8%)	1,150 (22.7%)
Channel width (inches)	31.8	32.7
Inch-dwt. (gold)	325	290
Inch-lb. (uranium oxide)	25.98	21.83
SHAFT SINKING		
31-29 Sub-Incline Shaft		
Depth below collar	113 feet	
No. 1 North (31-28) Sub-Vertical Shaft		
A total of 109 feet has been excavated to full dimensions in the headgear portion of the shaft.		

ANGLO-TRANVAAL COLLIERIES, LIMITED.

The Sales Output of the Subsidiary Collieries controlled by this company for the quarter ended 30th June, 1961, totalled 320,202 tons. (Quarter ended 31st March, 1961—306,279 tons.)

Both totals are subject to correction for road loading tonnage.

a primary factor in putting many industrial shares at or below 2 per cent yield on London and New York, does not now exist either in the mines nearing full production or—even more significantly—in the finance houses which are now having increasingly to conserve their capital. On the other hand, with foreign selling blocked, gold shares are likely to be even more responsive to periodic currency weakness than in the past.

Gilts, of course, have an added appeal, for institutions in particular, if the equity profit picture is in doubt; and while the leading mines are thriving, Mr. Harry Oppenheimer's warning of the need for an increase in mine native's wages, coupled with fears of a tougher budget in 1962, will no doubt exert a restraining influence on gold shares. One way or another, an equilibrium between gold and gilt yields may thus be reached relatively quickly.

The London Market

On the London market, Kaffirs have, of course, moved downwards since June 16—erratically but on average by 11.3 per cent—so that over the market as a whole, the discount on London is now of the order of 20 per cent, although, as between different shares in the market, discounts have varied considerably.

Latterly, however, limited arbitrage (on

the basis of buying a share in London at, say, 25 per cent discount and simultaneously selling forward a share at 15 per cent discount with the object of reversing these deals in Johannesburg) has tended to reduce the discount variations on London. Nevertheless, the discount remains generally less among older mines for which there is little investment interest in Johannesburg, whereas in London, for those who are determined to get out of South Africa, the older mines have an obvious appeal with their very high yield basis and the prospect of capital repayments which in *bona fide* cases are, for the time being at least, to remain unblocked.

The non-South African investor seeking a return of his capital outlay through high yielding, or capital repayment, shares should apply the same tests as the break-up specialist has in the past. There must be the promise of a full return of the present share price on a conservative assessment. A high par value relative to share price (assuring a good proportion of capital returns) is an important consideration for those subject to a high tax rate on dividends from South African companies, while, if dividends may continue for some time, a mine with a high tax rate is essential for the British investor in the higher income brackets, owing to D.T.R. Finally, under existing conditions undue importance should not be attached to large land holdings.

The Need for a Market in Security Rand

Once the discount in London becomes relatively constant, its size will mainly be a reflection of market opinion as to the duration of the security Rand blockage. This in turn must be an assessment of how quickly South Africa's balance of payments will get back onto an even keel and, as this improves, so will the discount shorten.

It now seems to be increasingly realised that despite present government measures to prevent it, there will inevitably be a market in blocked security Rand, if not in Johannesburg then in other centres. As this grows, the equalisation of the discount on London will be further facilitated. As things are the discount on the blocked Rand is clearly the average London discount on South African shares, less an allowance for the normal arbitrage margin.

The South African Reserve Bank would be well advised to recognize that measures aimed at inhibiting the development of a market in blocked Rand within reasonable limits serve only to antagonize the foreign investor needlessly.

Unblocking

While on the subject of the security Rand, it is worth considering how soon

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UNION CORPORATION GROUP

Directors' Reports of Gold Mining Companies Incorporated in the Republic of South Africa
for Quarter ended 30th June, 1961

London Office : Princes House, 95, Gresham Street, London, E.C.2

LESLIE GOLD MINES, LTD.

SHAFT SINKING

No. 1 Shaft was sunk 736 feet to a total depth of 3,013 feet. In addition 5,319 feet of station cutting was done from both Nos. 1 and 1A Shafts.

BRENDAN VILLAGE

Fifty-seven houses have been occupied. Work in the single quarters is well advanced.

GENERAL

The erection of the reduction works is up to schedule and good progress continues to be made in the provision of other surface facilities. The 32 bed hospital is in use.

EXPENDITURE

Expenditure on Shafts, Plant and Equipment and General Expenditure amounted to R1,688,602 (£844,301).

	Quarter ended 30th June, 1961
DEVELOPMENT:	
Footage driven	5,402
Footage sampled	780
Footage payable	600
Percentage payable	77
Average value—dwt.	34.8
Width—inches	9
Inch/dwt.	313

BRACKEN MINES, LTD.

SHAFT SINKING

Both Nos. 1 and 1A Shafts are now commissioned, and during the quarter 4,198 feet of station cutting was accomplished.

GENERAL

The erection of the reduction works is up to schedule and good progress continues to be made in the provision of other surface facilities.

EXPENDITURE

Expenditure on Shafts, Plant and Equipment and General Expenditure amounted to R1,123,351 (£561,675).

	Quarter ended 30th June, 1961	Quarter ended 31st March, 1961
DEVELOPMENT:		
Footage driven	4,418	272
Footage sampled	2,180	105
Footage payable	1,780	105
Percentage payable	82	100
Average value—dwt.	26.4	25.8
Width—inches	17	8
Inch/dwt.	448	204

ST. HELENA GOLD MINES, LTD.

	Quarter ended 30th June, 1961	Quarter ended 31st March, 1961
OPERATIONS:		
Tons milled	561,000	530,000
Gold produced (in oz. fine)	196,828	185,948
Yield per ton milled (dwt.)	7.02	7.02
Cost per ton milled	R4.32 (43s. 2d.)	R4.34 (43s. 4d.)
Profit per ton milled	R4.50 (45s. 0d.)	R4.49 (44s. 11d.)
Working revenue	R4,947,740 (£2,473,870)	R4,679,326 (£2,339,663)
Working costs	R2,420,910 (£1,210,455)	R2,297,453 (£1,148,727)
Working profit	R2,526,830 (£1,263,415)	R2,381,873 (£1,190,937)
Net sundry revenue	R45,852 (£22,926)	R15,568 (£7,784)
TOTAL PROFIT (Subject to taxation and Government's share)	R2,572,682 (£1,286,341)	R2,397,441 (£1,198,721)
Estimated taxation and Government's share of profit	R1,247,300 (£623,650)	R1,238,800 (£619,400)
Capital expenditure	R224,868 (£112,434)	R110,361 (£55,181)
DEVELOPMENT:		
Footage driven	23,020	22,934
Footage sampled	7,865	9,130
Footage payable	5,235	4,995
Percentage payable	67	55
Average value—dwt.	17.9	16.0
Width—inches	42	41
Inch/dwt.	753	654

WINKELHAAK MINES, LTD.

	Quarter ended 30th June, 1961	Quarter ended 31st March, 1961
OPERATIONS:		
Tons milled	288,000	279,000
Gold produced (in oz. fine)	97,921	95,087
Yield per ton milled (dwt.)	6.80	6.82
Cost per ton milled	R4.94 (49s. 5d.)	R4.89 (48s. 10d.)
Profit per ton milled	R3.63 (36s. 4d.)	R3.71 (37s. 1d.)
Working revenue	R2,467,626 (£1,233,813)	R2,398,692 (£1,199,346)
Working costs	R1,423,561 (£711,780)	R1,362,585 (£681,293)
Working profit	R1,044,065 (£522,033)	R1,036,107 (£518,054)
Net sundry expenditure	R7,536 (£3,768)	R9,442 (£4,721)
TOTAL PROFIT (Subject to taxation and Government's share)	R1,036,529 (£518,263)	R1,026,665 (£513,333)
Estimated taxation and Government's share of Profit	Nil	Nil
Capital expenditure	R774,131 (£387,065) Kimberley Reef	R439,404 (£219,702) Kimberley Reef
DEVELOPMENT:		
Footage driven	15,641	15,847
Footage sampled	5,995	6,955
Footage payable	3,575	4,920
Percentage payable	60	71
Average value—dwt.	11.5	13.5
Width—inches	38	36
Inch/dwt.	438	486

No. 2 SHAFT:

The headgear, winder and other hoists are complete. Full scale sinking commenced in June, 1961, and by the end of the quarter the shaft had reached a total depth of 334 feet. Cementation Borehole W.S. 32 was stopped at a depth of 2,968 feet. Pre-cementation of the shaft is being continued through Borehole W.S. 37.

SURFACE DRILLING:

Borehole W.S. 38 sited near the north-eastern corner of the property intersected the Kimberley Reef in the original hole and two deflections at an average depth of 6,057 feet giving values of 72, 36 and 71 inch-dwts., respectively. Core recovery was complete in the original intersection and second deflection.

VAN DYK CONSOLIDATED MINES, LTD.

	Quarter ended 30th June, 1961	Quarter ended 31st March, 1961
OPERATIONS:		
Tons milled	225,000	216,000
Gold produced (in oz. fine)	35,538	34,415
Yield per ton milled (dwt.)	3.16	3.19
Cost per ton milled	R3.77 (37s. 9d.)	R3.85 (38s. 6d.)
Profit per ton milled	R0.20 (2s. 0d.)	R0.17 (1s. 8d.)
Working revenue	R892,969 (£446,484)	R867,708 (£433,854)
Working costs	R847,908 (£423,954)	R831,069 (£415,535)
Working profit	R45,061 (£22,530)	R36,639 (£18,320)
Net sundry revenue	R11,537 (£5,769)	R9,114 (£4,557)
TOTAL PROFIT (Subject to taxation and Government's share)	R56,598 (£28,299)	R45,753 (£22,877)
Estimated taxation and Government's share of profit	R7,300 (£3,650)	R7,000 (£3,500)
Capital expenditure	Nil	Nil
DEVELOPMENT		
Footage driven	690	395
Footage sampled	495	375
Footage payable	130	170
Percentage payable	26	45
Average value—dwt.	10.0	13.2
Width—inches	27	24
Inch/dwt.	271	316

* All the above development was carried out in the No. 5 Shaft Area.

REDUCTION OF CAPITAL:

A further return of capital amounting to 7½ cents (9d.) per share will be paid to shareholders registered at 30th June, 1961. Cheques will be posted about 8th August, 1961.

GEDULD PROPRIETARY MINES, LTD.

	Quarter ended 30th June, 1961	Quarter ended 31st March, 1961
OPERATIONS:		
Tons milled.....	235,000	235,000
Gold produced (in oz. fine).....	38,166	37,412
Yield per ton milled (dwt.).....	3.25	3.18
Cost per ton milled.....	R3.60	R3.45
	(36s. 0d.)	(34s. 5d.)
Profit per ton milled.....	R0.50	R0.58
	(5s. 0d.)	(5s. 10d.)
Working revenue.....	R964,655	R946,092
	(£482,327)	(£473,046)
Working costs.....	R846,190	R809,198
	(£423,095)	(£404,599)
Working profit.....	R118,465	R136,894
	(£59,232)	(£68,447)
Net Sundry revenue.....	*R604,512	R14,127
	(£302,256)	(£7,064)
TOTAL PROFIT	R722,977	R151,021
(Subject to taxation).....	(£361,488)	(£75,511)
Estimated taxation.....	R34,100	R53,300
	(£17,050)	(£26,650)
Capital expenditure.....	Nil	Nil
DEVELOPMENT:	Black Reef	Black Reef
Footage driven.....	1,321	991
Footage sampled.....	1,210	760
Footage payable.....	Nil	150
Percentage payable.....	Nil	20
Average value—dwt.....	Nil	7.9
Width—inches.....	Nil	31
Inch/dwt.....	Nil	245

DIVIDEND: On 9th June, 1961, Dividend No. 93 of 30 cents (3s. 0d.) per share was declared payable to shareholders registered at 30th June, 1961. Dividend Warrants will be posted about 8th August, 1961.

* Including dividends.

EAST GEDULD MINES, LTD.

	Quarter ended 30th June, 1961	Quarter ended 31st March, 1961
OPERATIONS:		
Tons milled.....	378,000	380,000
Gold produced (in oz. fine).....	106,910	108,926
Yield per ton milled (dwt.).....	5.66	5.73
Cost per ton milled.....	R3.72	R3.71
	(37s. 2d.)	(37s. 1d.)
Profit per ton milled.....	R3.39	R3.50
	(33s. 10d.)	(35s. 0d.)
Working revenue.....	R2,687,639	R2,740,263
	(£1,343,819)	(£1,370,132)
Working costs.....	R1,406,334	R1,408,896
	(£703,167)	(£704,448)
Working profit.....	R1,281,305	R1,331,367
	(£640,652)	(£665,684)
Net Sundry revenue.....	*R102,198	R33,524
	(£51,099)	(£16,762)
TOTAL PROFIT	R1,383,503	R1,364,891
(Subject to taxation and Government's share).....	(£691,751)	(£682,446)
Estimated taxation and Government's share of profit.....	R693,000	R711,300
	(£346,500)	(£355,650)
Capital expenditure.....	Nil	Nil
DEVELOPMENT:	Kimberley	Kimberley
Footage driven.....	1,566	1,412
Footage sampled.....	1,155	1,355
Footage payable.....	520	710
Percentage payable.....	45	52
Average value—dwt.....	19.9	16.4
Width—inches.....	9	11
Inch/dwt.....	179	180

DIVIDEND: On 9th June, 1961, Dividend No. 59 of 15 cents (1s. 6d.) per unit of stock was declared payable to stockholders registered at 30th June, 1961. Dividend Warrants will be posted about 8th August, 1961.

* Including dividends.

THE GROOTVLEI PROPRIETARY MINES, LTD.

	Quarter ended 30th June, 1961	Quarter ended 31st March, 1961
OPERATIONS:		
Tons milled.....	655,000	640,000
Gold produced (in oz. fine).....	135,569	132,516
Yield per ton milled (dwt.).....	4.14	4.14
Cost per ton milled.....	R3.19	R3.19
	(31s. 10d.)	(31s. 10d.)
Profit per ton milled.....	R2.01	R2.03
	(20s. 1d.)	(20s. 4d.)
Working revenue.....	R3,407,884	R3,339,544
	(£1,703,942)	(£1,669,772)
Working costs.....	R2,089,917	R2,039,770
	(£1,044,958)	(£1,019,885)
Working profit.....	R1,317,967	R1,299,774
	(£658,984)	(£649,887)
Net sundry revenue.....	R37,178	R35,829
	(£18,589)	(£17,915)
TOTAL PROFIT	R1,355,145	R1,335,603
(Subject to taxation and Government's share).....	(£677,573)	(£667,802)
Estimated taxation and Government's share of profit.....	R682,700	R672,300
	(£341,350)	(£336,150)
Capital expenditure.....	Nil	Nil
DEVELOPMENT:	Kim-	Kim-
	Main berley	Main berley
Footage driven.....	3,663	4,652
Footage sampled.....	3,000	2,280
Footage payable.....	1,485	655
Percentage payable.....	50	31
Average value—dwt.....	20.2	53.6
Width—inches.....	11	13
Inch/dwt.....	222	268

DIVIDEND: On 9th June, 1961, Dividend No. 45 of 11 cents (1s. 12d.) per unit of stock was declared payable to stockholders registered at 30th June, 1961. Dividend Warrants will be posted about 8th August, 1961.

MARIEVALE CONSOLIDATED MINES, LTD.

	Quarter ended 30th June, 1961	Quarter ended 31st March, 1961
OPERATIONS:		
Tons milled.....	297,000	290,000
Gold produced (in oz. fine).....	71,322	70,367
Yield per ton milled (dwt.).....	4.80	4.85
Cost per ton milled.....	R3.63	R3.60
	(36s. 4d.)	(36s. 0d.)
Profit per ton milled.....	R2.41	R2.52
	(24s. 1d.)	(25s. 2d.)
Working revenue.....	R1,794,153	R1,774,111
	(£897,076)	(£887,056)
Working costs.....	R1,077,981	R1,044,237
	(£538,990)	(£522,119)
Working profit.....	R716,172	R729,874
	(£358,086)	(£364,937)
Net sundry revenue.....	R18,375	R14,623
	(£9,187)	(£7,312)
TOTAL PROFIT	R734,547	R744,497
(Subject to taxation and Government's share).....	(£367,273)	(£372,249)
Estimated taxation and Government's share of profit.....	R353,400	R360,500
	(£176,700)	(£180,250)
Capital expenditure.....	Nil	Nil
DEVELOPMENT:	Kim-	Kim-
	Main berley	Main berley
Footage driven.....	1,961	3,532
Footage sampled.....	1,355	2,410
Footage payable.....	470	685
Percentage payable.....	35	28
Average value—dwt.....	24.1	10.4
Width—inches.....	12	19
Inch/dwt.....	289	198

DIVIDEND: On 9th June, 1961, Dividend No. 42 of 15 cents (1s. 6d.) per share was declared payable to shareholders registered at 30th June, 1961. Dividend Warrants will be posted about 8th August, 1961.

All development values have been discounted to conform with adjustments which are necessary in estimating the ore reserve.

The South African decimal currency system became effective on 14th February, 1961. South African currency is now expressed in Rand and cents, there being 100 cents in a Rand. For the convenience of Members, monetary figures in these reports are given in Rand with the equivalent sterling shown below in brackets at an exchange rate of R2.00 equals £1 sterling.

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NOTES:—

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Introduction of Decimal Currency.

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South Roodpoor: Operations during the quarter ended 31st March, 1961 were adversely affected by the underground explosion which took place on 17th February. The loss of profit has been recovered from the Insurers.

South Koedepoort: Operations
Copies of the full quarterly Reports

Copies of the full quarterly Reports
London Office: Winchester House

Old Broad Street E.C.2.

Old Broad
13th July, 1961

THE CENTRAL MINING—RAND MINES GROUP

South African Mining Companies' Directors' Reports for Quarter Ended 30th June, 1961.

Office of the London Secretaries: 4 London Wall Buildings, E.C.2.

The development values quoted hereunder represent actual results of sampling, no allowance having been made for any adjustments which may be or were necessary when estimating ore reserves at the ends of the respective financial years.

EAST RAND PROPRIETARY MINES, LIMITED.

Ore milled 723,000 tons.	Yield 163,356* oz. fine.	Yield per ton 4,519 dwt.
Working Revenue	R4,107,380	Per Ton Milled R5.68
Working Expenditure	(£2,053,690)	(56s. 10d.)
Working Profit	R3,678,114	R5.09
	(£1,839,057)	(50s. 11d.)
WORKING PROFIT	R429,266	R0.59
	(£214,633)	(5s. 11d.)

Adjusting for *additional revenue derived from clean-up operations R100,400 (£50,200) and sundry expenditure, net R68,500 (£34,250), the NET PROFIT was R461,166 (£230,583).

Taxation Adjustment (Cr.) R7,852 (£3,926).

Dividend No. 83 of 10 cents (1s. 0d. U.K. currency) per share, declared on 8th June, 1961, payable on or about 9th August, 1961, to Shareholders registered on 30th June, 1961, R396,000 (£198,000).

Capital Expenditure R212,000 (£106,000).

*In addition to the 163,356 ounces fine of gold yielded from normal operations during the quarter, 4,000 ounces were derived from clean-up operations during June, 1961.

LOAN—CENTRAL MINING FINANCE LIMITED.—The existing loan facilities of R700,000 (£350,000) with Central Mining Finance Limited were cancelled and a short-term loan of R1,000,000 (£500,000) was arranged with that Company in place thereof. The interest is fixed at the rate of 7½ per cent per annum and the loan is repayable in five consecutive monthly instalments of R200,000 (£100,000) each commencing in December, 1961.

INCLINE SHAFT SINKING.—With effect from 1st July, 1961, expenditure on incline shaft sinking is being charged to capital account instead of to working costs as hitherto as such expenditure is considered to be more of a capital nature than a working cost and is treated as capital expenditure for taxation purposes. During the six months ended 30th June, 1961, this expenditure averaged R27,340 (£13,670) per month equivalent to 11.6 cents (1s. 1.9d.) per ton milled.

DEVELOPMENT totalled 17,024 feet.

PAYABLE DISCLOSURES

Reef	Footage Sampled	Feet	Per Cent.	Per Ton	Channel Value, Dwt.	Channel Width, Inches	Inch-Dwt.
South Reef	430	90	20.9	9.1	35	319	
Main Reef Leader	280	40	14.3	12.4	25	311	
Composite Reef	1,740	550	31.6	18.2	28	510	
Main Reef	840	470	56.0	14.3	33	472	
TOTALS & AVERAGES	3,290	1,150	35.0	15.2	31	472	

MERRIESPRUIT (ORANGE FREE STATE) GOLD MINING COMPANY LIMITED.

Expenditure	R94,629
Interest on Uranium Loans	(£47,315)
	R8,504
	(£4,252)
Total	R103,133
	(£51,567)
Uranium Loan Capital Repayments	R37,191
	(£18,596)

EXTRAORDINARY GENERAL MEETINGS.—Extraordinary General Meetings have been convened for 24th July, 1961, to consider the ratification of the tributing agreement dated 23rd January, 1961, between this Company and Virginia Orange Free State Gold Mining Company Limited and the approval of certain amendments to the Debenture Trust Deed. Circulars and Notices were sent to all registered Stockholders and Debentureholders on 23rd June, 1961, in this connection.

URANIUM.—No revenue has yet been received in respect of the 13.673% of uranium royalty that has accrued to and of the working profit made by Virginia Orange Free State Gold Mining Company Limited. Such revenue is payable as soon as the agreement of 23rd January, 1961, is ratified by the Stockholders of both companies.

LOAN FACILITIES.—During the quarter an amount of R48,000 (£24,000) was drawn on the unsecured loan facility of R100,000 (£50,000). The balance still available on this loan was R37,000 (£18,500) at 30th June, 1961.

WATER LEVEL.—The water level in No. 2 Shaft dropped by 68 feet during the quarter to a depth of 1,762 feet below the collar.

FIREBREAKS.—The preparation of firebreaks around the main buildings was completed early in the quarter.

DEVELOPMENT totalled 961 feet.

PAYABLE DISCLOSURES

Reef	Footage Sampled	Feet	Per Cent.	Per Ton	Gold, Dwt.	Uranium, Dwt.	Channel Value, lb.	Channel Width, Inches	Inch-Dwt.
Basal	240	25	10.4	19.78	0.817	13.8	273	11.28	

* Payable means payable in respect of gold except where a joint pay-limit is used for blocking.

CROWN MINES, LIMITED

Ore milled 527,000 tons.	Yield 91,882 oz. fine.	Yield per ton 3,487 dwt.
Working Revenue	R2,310,183	Per Ton Milled R4.38
Working Expenditure	(£1,155,092)	(43s. 10d.)
	R2,304,970	R4.37
	(£1,152,485)	(43s. 9d.)
WORKING PROFIT	R5,213	R0.01
	(£2,607)	(0s. 1d.)

Adjusting for sundry expenditure R11,100 (£5,550), the NET LOSS was R5,887 (£2,943).

Taxation Adjustment Cr. R11,300 (£5,650).

Dividend No. 120 of 20 cents (2s. 0d. U.K. currency) per share declared on 8th June, 1961, payable on or about 9th August, 1961, to Shareholders registered on 30th June, 1961, R377,200 (£188,600).

Capital Expenditure (Dr.) R4,900 (£2,450).

INCLINE SHAFT SINKING.—With effect from 1st July, 1961, expenditure on incline shaft sinking is being charged to capital account instead of to working costs as hitherto as such expenditure is considered to be more of a capital nature than a working cost and is treated as capital expenditure for taxation purposes. During the six months ended 30th June, 1961, this expenditure averaged R6,462 (£3,231) per month equivalent to 3.6 cents (4.3d.) per ton milled.

DEVELOPMENT totalled 9,373 feet.

PAYABLE DISCLOSURES

Reef	Footage Sampled	Feet	Per Cent.	Per Ton	Channel Value, Dwt.	Channel Width, Inches	Inch-Dwt.
Kimberley Reef	1,995	460	23.1	5.1	47	238	
South Reef	480	65	13.5	5.6	42	237	
Main Reef Leader	1,070	40	3.7	25.9	12	311	
Main Reef	2,050	225	11.0	7.6	43	327	
TOTALS & AVERAGES	5,595	790	14.1	6.1	44	267	

MODDERFONTEIN EAST, LIMITED

Ore milled 178,000 tons.	Yield 19,150* oz. fine.	Yield per ton 2,152 dwt.
Working Revenue	R481,663	Per Ton Milled R2.71
Working Expenditure	(£240,832)	(27s. 1d.)
	R478,304	R2.69
	(£239,152)	(26s. 11d.)
WORKING PROFIT	R3,359	R0.02
	(£1,680)	(0s. 2d.)

Adjusting for *additional revenue derived from clean-up operations R17,570 (£8,785) and sundry revenue, R5,400 (£2,700), the TOTAL PROFIT was R26,329 (£13,165).

Taxation R1,400 (£700).

Dividend No. 68 of 5 cents (6d. U.K. currency) per share—declared on 8th June, 1961, payable on or about 9th August, 1961, to Shareholders registered on 30th June, 1961, R46,540 (£23,270).

DEVELOPMENT totalled 357 feet.

PAYABLE DISCLOSURES

Reef	Footage Sampled	Feet	Per Cent.	Per Ton	Channel Value, Dwt.	Channel Width, Inches	Inch-Dwt.
Main Reef Leader	205	60	29.3	4.5	33	150	
The ORE RESERVE at 30th June, 1961, has been re-estimated as follows:—							
	Tons	Dwt. per ton			Value, Inches	Width, Inches	Inch-Dwt.
Available	134,000	4.9			39.0		191
Not Available	7,000	6.1			39.1		239
TOTAL	141,000	5.0			39.0		193

* In addition to the 19,150 ounces fine of gold yielded from normal operations during the quarter, 700 ounces were derived from clean-up operations.

ROSE DEEP, LIMITED

Ore milled 65,000 tons.	Yield 11,794 oz. fine.	Yield per ton 3,629 dwt.
Working Revenue	R296,846	Per Ton Milled R4.57
Working Expenditure	(£148,423)	(45s. 8d.)
	R310,011	R4.77
	(£155,006)	(47s. 8d.)
WORKING LOSS	R13,165	R0.20
	(£6,583)	(2s. 0d.)

Adjusting for sundry revenue R8,600 (£4,300), the NET LOSS was R4,565 (£2,283).

Taxation (Cr.) R1,500 (£750).

DEVELOPMENT—No development was done during the quarter.

BLYVOORUITZICHT GOLD MINING COMPANY, LIMITED.

Ore milled	419,000 tons	
Gold recovered	265,987 oz. fine	
Gold yield	12.696 dwt. per ton	
Slimes treated for Uranium	586,870 tons	
Uranium produced	217,739 lb.	
Uranium yield	0.371 lb. per ton	
Uranium sold (f.o.b.)	256,361 lb.	
GOLD		
Working Revenue	R6,691,331	Per Ton Milled R15.97
	(£3,345,666)	(159s. 8d.)
Working Expenditure	R2,650,189	R6.33
	(£1,325,095)	(63s. 3d.)
Working Profit	R4,041,142	R9.64
	(£2,020,571)	(96s. 5d.)

URANIUM AND SULPHURIC ACID

Working Profit	R952,000	
	(£476,000)	
TOTAL WORKING PROFIT	R4,993,142	
	(£2,496,571)	

Adjusting for sundry revenue (net) R82,100 (£41,050), less interest on Uranium and Sulphuric Acid Loans R32,200 (£16,100), the **TOTAL PROFIT** was R5,043,042 (£2,521,521).

Taxation and Lease Consideration R2,551,900 (£1,275,950)
Dividend No. 31 of 13 cents (1s. 3.6d. U.K. Currency) per share declared on 8th June, 1961, payable on or about 9th August, 1961, to Shareholders registered on 30th June, 1961, R3,120,000 (£1,560,000).

Capital Expenditure R799,700 (£399,850)
Uranium and Sulphuric Acid Loan Accounts—Quarterly Instalment—Capital Repayment, R282,600 (£141,300) and interest free loan receivable, Nil. (First instalment due quarter ending 30th September, 1961.)

No. 4 SHAFT—Sinking continued during the quarter and in June excavations for the intermediate pump chamber were started from the shaft at approximately 2,460 feet below surface.

Operations were hampered somewhat by the intersection of water bearing fissures in the pump chamber.

URANIUM—In amplification of the announcements made earlier this year, the fixed price which will be received in respect of the 740 tons of quota acquired by the Company from The Randfontein Estates Gold Mining Company, Witwatersrand, Limited will be R9,3597 (£4,67985) per lb. f.o.b. Durban. The Company will be required to pay a royalty of R6,0500 (60s. 6d.) per lb., which will be included in the costs of production, on the monthly tonnage produced in respect of this quota during the period January, 1961 to December, 1965.

As previously indicated, working profits from uranium production during the period 1st July, 1961 to 31st December, 1963 (the date of expiry of the original contract) will be about half the amount that would have been earned under that contract due mainly to the lower profitability of the above-mentioned quota tonnage as compared with that of the Company's own contract tonnages. Profits of approximately the same order will continue to be earned until the end of 1966, the last year of the extended production period.

INCLINE SHAFT SINKING—With effect from 1st July, 1961, expenditure on incline shaft sinking is being charged to capital account instead of to working costs as hitherto as such expenditure is considered to be more of a capital nature than a working cost and is treated as capital expenditure for taxation purposes. During the six months ended 30th June, 1961, this expenditure averaged R4,152 (£2,076) per month, equivalent to 3.0 cents (4.0d.) per ton milled.

DEVELOPMENT totalled 20,065 feet.

PAYABLE DISCLOSURES

Footage Reef Sampled	Feet	Per Cent.	Gold, Uranium, Channel Channel		Channel Width, Inches	Gold, Inch- Dwt.	Uranium Inch- lb.
			Value, Dwt.	Value, lb.			
Carbon Leader 3,430	2,745	80.0	110.6	4,816	5	553	24,080
No. 4 Shaft was sunk 889 feet to a total depth of 2,472 feet below the collar.							
The ORE RESERVE was re-estimated at 30th June, 1961, as follows:—							
	Tons	Per Ton	Gold, Uranium, Value, Value, Dwt. lb.		Width, Inches	Gold, Inch- Dwt.	Uranium, Inch-lb.
			Per Ton	Per Ton			
Available	4,531,000	14.2	0.569	42.3	599	24.07	
Not Available	1,605,000	12.9	0.556	42.8	553	23.79	
TOTAL	6,136,000	13.8	0.565	42.4	586	23.97	

The total tonnage of accumulated slime still available for treatment for uranium is approximately 2,180,000 tons at an estimated value of 0.420 lb. per ton.

TRANSVAAL GOLD MINING ESTATES, LIMITED

Ore milled 20,400 tons.	Yield 5,527 oz. fine.	Yield per ton 5.419 dwt.
Working Revenue	R203,309	
	(£101,670)	
Working Expenditure	R193,831	
	(£96,916)	
WORKING PROFIT	R9,508	
	(£4,754)	

Adjusting for expenses at Registered Office and in London R5,345 (£2,673) and sundry revenue R936 (£468), the **NET PROFIT** was R5,099 (£2,549).

Working Revenue includes an amount of R7,238 (£3,619) being the proceeds of the sale overseas of copper-gold concentrates.

Expenditure on Equipment (Dr.) R8,942 (£4,471). Property (Cr.) R550 (£275). SUPERPHOSPHATE PLANT—Storage facilities at Graskop are being increased and the plant is operating at capacity.

DEVELOPMENT totalled 636 feet.

PAYABLE REEF DISCLOSURES

Footage Sampled	Feet	Per Cent.	Channel Value, Channel		Width, Inches	Inch- Dwt.
			Value, Dwt.	Value, lb.		
710	—	—	—	—	—	—

Saleable superphosphate on hand at 30th June, 1961—3,750 tons.

HARMONY GOLD MINING COMPANY LTD.

Ore milled	576,000 tons.	
Gold recovered	233,827 oz. fine.	
Gold yield	8.119 dwt. per ton.	
Slimes treated for Uranium	528,500 tons.	
Uranium produced	229,000 lb.	
Uranium yield	0.433 lb. per ton.	
Uranium sold (f.o.b.)	289,403 lb.	
Pyrites concentrate recovered	8,856 tons.	
Sulphuric Acid produced	9,286 tons.	
GOLD		
Working Revenue	R5,880,973	Per Ton Milled R10.21
	(£2,940,487)	(102s. 1d.)
Working Expenditure	R3,599,615	R6.25
	(£1,799,808)	(62s. 6d.)
Working Profit	R2,281,358	R3.96
	(£1,140,679)	(39s. 7d.)

URANIUM, PYRITES AND SULPHURIC ACID

Working Profit	R1,176,859	
	(£588,430)	

TOTAL WORKING PROFIT

	R3,458,217	
	(£1,729,109)	

Adjusting for interest on funds borrowed, R68,600 (£34,300) less sundry revenue (net) R30,700 (£15,350), the **NET PROFIT** was R3,420,317 (£1,710,159).

Capital Expenditure, (Dr.) R794,700 (£397,350).
Loan Accounts—Repayments (Dr.) R199,600 (£99,800) and interest free uranium loan receivable (Cr.) R206,000 (£103,000).

TAXATION AND LEASE CONSIDERATION—No South African taxation or lease consideration is as yet payable by the Company.

CENTRAL MINING FINANCE LIMITED—LOAN REPAYMENT—The third repayment of R1,000,000 (£500,000) against the Central Mining Finance loan was made on 30th June, 1961, leaving a balance of R1,000,000 (£500,000) to be repaid.

UNDERGROUND WATER—During the quarter the water pumped per 24 hours averaged 4,883,000 gallons and for the month of June, 5,088,000 gallons. The quantity in June includes 564,000 gallons pumped per day on behalf of and for account of Virginia O.F.S. Gold Mining Company Limited.

VENTILATION SHAFT—The platform and service winders at the Ventilation Shaft were commissioned and the stripping of the remaining equipment in the shaft has commenced. This has already produced a considerable increase in the quantity of air circulated through the mine. Three fans are running and the fourth is now available as a stand-by.

NO. 2 SHAFT—In addition to the normal reef and off-reef development accomplished during the quarter, 4,056 feet and 9,186 feet of off-reef development was done on 21 and 25 levels, respectively.

REDUCTION WORKS—The installation of the last two 16 feet x 12 feet tube mills has been completed. They were brought into use during May, 1961.

WATER DISPOSAL AREAS—A portion of the recently acquired disposal areas on the farm Video has been contoured and is in use. This work is proceeding satisfactorily.

SALE OF 397 CLAIMS TO VIRGINIA O.F.S. GOLD MINING COMPANY LIMITED—The Extraordinary General Meeting called for 4th May, 1961, to confirm the sale and to reduce the Share Premium Account was postponed, and the meeting has now been convened for 24th July, 1961. A Circular and Notice to this effect was sent to all registered Shareholders on 23rd June, 1961.

DEVELOPMENT—Total 31,524 feet. This footage includes development done in Areas "A" and "B".

PAYABLE DISCLOSURES

Footage Reef Sampled	Feet	Per Cent.	Gold, Uranium, Channel Channel		Channel Width, Inches	Gold, Inch- Dwt.	Uranium Inch- lb.
			Value, Dwt.	Value, lb.			
Basal	2,345	1,855	66.7	20.61	1,290	28	36.13

In addition, 435 feet were sampled by Virginia O.F.S. Gold Mining Company, Limited.

The ORE RESERVE was re-estimated at 30th June, 1961, as follows:—

	Tons	Per Ton	Gold, Uranium, Value, Value, Dwt. lb.		Width, Inches	Gold, Inch- Dwt.	Uranium, Inch-lb.
			Per Ton	Per Ton			
Available	5,235,000	8.5	0.570	51.7	437	29.47	
Not available	416,000	7.7	0.485	55.7	428	26.99	
TOTAL	5,651,000	8.4	0.563	51.9	436	29.24	

CONSOLIDATED MAIN REEF MINES AND ESTATE, LIMITED

Ore milled 133,000 tons.	Yield 28,005* oz. fine.	Yield per ton 4.211 dwt.
Working Revenue	R703,283	Per Ton Milled R5.29
	(£351,642)	(52s. 11d.)
Working Expenditure	R689,964	R5.19
	(£344,982)	(51s. 11d.)
WORKING PROFIT	R13,319	R0.10
	(£6,660)	(1s. 0d.)

Adjusting for *additional revenue derived from clean-up operations R62,750 (£31,375), and sundry revenue R6,500 (£3,250), the **TOTAL PROFIT** was R82,569 (£41,285).

Taxation R4,500 (£2,250).

Dividend No. 103 of 15 cents (1s. 6d. U.K. currency) per share—declared on 8th June, 1961, payable on or about 9th August, 1961, to Shareholders registered on 30th June, 1961, R187,100 (£93,550).

DEVELOPMENT totalled 177 feet.

PAYABLE DISCLOSURES

Reef Main Reef Leader	Footage Sampled	Feet	Per Cent.	Channel Value, Channel		Width, Inches	Inch- Dwt.
				Value, Dwt.	Value, lb.		
	50	50	100.0	26.9	9		242

The ORE RESERVE at 30th June, 1961, has been re-estimated as follows:—

	Tons	Dwt. per ton	Inches	Inch-Dwt.
Available	126,000	7.2	39.9	289
Not Available	101,000	5.9	38.4	227
TOTAL	227,000	6.7	39.2	261

* In addition to the 28,005 ounces of gold yielded from normal operations during the quarter, 2,500 ounces were derived from clean-up operations.

CITY DEEP, LIMITED

Ore milled 343,000 tons	Yield 71,574 oz. fine	Yield per ton 4,173 dwt.	
		Per Ton Milled	
Working Revenue	R1,798,718	..	R5.25
	(£899,359)	..	(52s. 6d.)
Working Expenditure	R1,782,072	..	R5.20
	(£891,036)	..	(52s. 0d.)
WORKING PROFIT	R16,646	..	R0.05
	(£8,323)	..	(0s. 6d.)

Adjusting for sundry revenue R9,200 (£4,600), the **TOTAL PROFIT** was **R25,846 (£12,923)**.

Taxation (Cr.) **R100 (£50)**.

Dividend No. 80 of 7 cents (8.4d. U.K. currency) per share, declared on 8th June, 1961, payable on or about 9th August, 1961, to Shareholders registered on 30th June, 1961. **R141,900 (£70,950)**.

Capital Expenditure **R34,900 (£17,450)**.

INCLINE SHAFT SINKING—With effect from 1st July, 1961, expenditure on incline shaft sinking is being charged to capital account instead of to working costs as hitherto as such expenditure is considered to be more of a capital nature than a working cost and is treated as capital expenditure for taxation purposes. During the six months ended 30th June, 1961, this expenditure averaged **R7,489 (£3,745)** per month equivalent to 6.6 cents (7.9d.) per ton milled.

DEVELOPMENT totalled 9,533 feet.

PAYABLE DISCLOSURES

Reef	Footage Sampled	Feet	Per Cent.	Channel Value, Per Ton	Channel Width, Inches	Inch-Dwt.
South Reef	1,950	20	1.0	61.0	6	366
Main Reef Leader	1,190	530	44.5	23.7	16	379
Main Reef	430	—	—	—	—	—
TOTALS & AVERAGES	3,570	550	15.4	23.7	16	379

DURBAN ROODEPOORT DEEP, LIMITED.

Ore milled 583,000 tons.	Yield 109,254 oz. fine.	Yield per ton 3,748 dwt.	
		Per Ton Milled	
Working Revenue	R2,748,383	..	R4.71
	(£1,374,192)	..	(47s. 1d.)
Working Expenditure	R2,449,613	..	R4.20
	(£1,224,807)	..	(42s. 0d.)
WORKING PROFIT	R298,770	..	R0.51
	(£149,385)	..	(5s. 1d.)

Adjusting for sundry revenue R6,800 (£3,400) the **TOTAL PROFIT** was **R305,570 (£152,785)**.

Taxation **R9,900 (£4,950)**.

Dividend No. 81 of 15 cents (1s. 6d. U.K. currency) per share, declared on 8th June, 1961, payable on or about 9th August, 1961, to Shareholders registered on 30th June, 1961. **R348,800 (£174,400)**.

Capital Expenditure (net) **R164,700 (£82,350)**.

INCLINE SHAFT SINKING—With effect from 1st July, 1961, expenditure on incline shaft sinking is being charged to capital account instead of to working costs as hitherto as such expenditure is considered to be more of a capital nature than a working cost and is treated as capital expenditure for taxation purposes. During the six months ended 30th June, 1961, this expenditure averaged **R1,412 (£706)** per month equivalent to 0.7 cents (0.9d.) per ton milled.

DEVELOPMENT totalled 27,319 feet.

PAYABLE DISCLOSURES

Reef	Footage Sampled	Feet	Per Cent.	Channel Value, Per Ton	Channel Width, Inches	Inch-Dwt.
Kimberley Reef	7,190	4,390	61.1	7.7	42	322
South Reef	280	30	10.7	24.0	7	168
Main Reef	4,780	1,930	40.4	9.4	38	356
TOTALS & AVERAGES	12,250	6,350	51.8	8.3	40	332

No. 1.E. Sub-Vertical Shaft was sunk 272 feet to a depth of 624 feet below the collar or 64 feet below 43 Station.

we may hope to see the beginning of the process of unblocking it and also how quickly that process is likely to proceed once it begins. It would clearly be unrealistic to look for early or rapid relief and market opinion in Johannesburg seems reconciled now to a wait of fully eighteen months or more. Obviously the country's reserves have got to be built up considerably above the danger level, generally put at about R200,000,000, and any drawings on the I.M.F. repaid, before a beginning can be made.

A further factor, likely to bear on the timing of the unblocking process, is the rapidity with which government funds have to be raised for refinancing maturing loans and equally for capital expenditure in the public sector and on Bantustan development. In this context, the possibility of foreign sentiment easing to the point where financing in the public sector has any chance of once again appealing to foreign capital markets, or to the various agencies for Western financial aid, cannot unfortunately be given any weight at present.

Unblocking must at present remain a long-term prospect, but meanwhile it would in the short term be reasonable to expect that, once the authorities have gained some experience in the operation of currency control, some concessions will be allowed as to the uses to which security rand may be applied in cases where it is in the national interest. Indeed the machinery already exists for applying for such a concession on the basis of each application being treated separately on its merits. An obvious case of such a concession being in the national interest would appear to be that of a foreign domiciled company wishing to sell some South African registered investments to finance capital expenditure within the Republic.

Financing the Public Sector

The extent to which government financing will have to be met by an increase in

taxation revenues, either as such or in the form of savings levies, must obviously depend on the government's success in channelling both institutional and private investment into the public sector. However, with the Johannesburg market now isolated from the depressing effect on prices of foreign selling, the pressure of new money steadily coming on to the market may, as we have suggested earlier, push the prices of mining shares and other equities—possibly quite rapidly—to the point where investment in government issues would become quite attractive, as well as being something of a patriotic duty.

Taxation will Rise — But Why on Gold Mining?

Even so, it would be too much to expect that the government's capital requirements could be met entirely from new issues and notwithstanding the continued slackness in the country's economy and the increasing need for employment and earnings among the urban Africans, it seems inescapable that, outside of the gold industry, an increase will be made in private and company income tax, if not in indirect taxation. The gold industry, however, presents a more than usually difficult problem, calling we believe for a very different approach.

In the first place without any increase in taxation levels or in the gold price, the gold industry, which paid R73,000,000 in tax last year, will by 1964 be paying about R125,000,000 and possibly as much as R150,000,000 by 1970.

Secondly, now that the gold industry has been virtually cut off from new foreign investment for some three years, it is having to rely almost entirely on its internal resources for financing its current operations, although the present reviving confidence on the Johannesburg market may well lead to increased reinvestment in the industry from domestic sources.

Nevertheless, if the gold industry is to

remain healthy—a requirement which is absolutely crucial to South Africa's economy in the present situation—this is simply not the time to impose higher rates of tax or to tamper with the reliefs on capital expenditure write-offs. This is particularly so in view of the probability that the mines will have to pay higher African wages in line with rising urban wage rates and the need to increase the African's purchasing power generally.

The Need for More Gold Production

The gold industry stands in a quite special position in relation to the government's own considerable economic problems and to the plain fact that the shortest route to any substantial improvement in visible exports lies in the direction of accelerating the current rate of gold production. This is a possibility which we examined at length in our weekly issue of April 28, 1961, when, it will be recalled, we concluded that it seemed possible to achieve quite a lot in this direction without heavy capital investment in new shafts or mill extensions and that, to the extent that this was possible, not only would it greatly assist the country's export earnings but it would also help the industry to offset the rising costs inseparable from higher African wages by spreading overheads over a higher level of production.

The government must face the fact that at present tax levels there can be little, if any, incentive to the groups to step up production. Thus it would not be illogical if tax incentives were to be introduced aimed directly at encouraging a faster rate of expansion at the newer mines. Such reliefs, to achieve their purpose, would have to be designed so as to give relief only to that portion of profits derived from increased output over and above the production rates at present projected in the mine development programme.

Continued on page 23

JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED GROUP

MINING COMPANIES' REPORTS FOR THE QUARTER ENDED 30th June, 1961 WITH COMPARATIVE FIGURES FOR THE PREVIOUS QUARTER.

(All Companies mentioned are incorporated in the Republic of South Africa)

GENERAL REMARKS—The development values are the actual results of the sampling of development work on reef; no allowance has been made for modifications which may be necessary when computing ore reserves. For the convenience of shareholders, monetary figures in these reports are given in Rand with the equivalent sterling shown in brackets at an exchange rate of R2 equals £1 sterling.

FREDDIES CONSOLIDATED MINES, LIMITED

ISSUED CAPITAL R32,719,826 (£16,359,913)
(Divided into 16,359,913 shares of R2 (£1) each, fully paid)

	Quarter ended 30th June, 1961	Quarter ended 31st March, 1961
OPERATIONS		
Gold		
Tons milled.....	195,000	184,000
Gold produced—ounces fine.....	38,941	39,624
Yield per ton milled—dwts.....	3.99	4.31
Cost per ton milled.....	R5.81	R6.45
	(58s. 1d.)	(64s. 6d.)
RESULTS OF OPERATIONS		
Revenue from gold and sundry revenue.....	R999,545	R1,023,058
	(£499,772)	(£511,529)
Less: Working costs.....	R1,132,377	R1,186,559
	(£566,188)	(£593,280)
LOSS ON GOLD MINING	R132,832	R163,501
	(£66,416)	(£81,751)
Uranium—Share of Joint Scheme Profits.....	R261,080	R260,308
	(£130,540)	(£130,154)
Deduct: Contribution towards capital cost of Orange Free State Joint Production Plants....	R66,080	R66,308
	(£33,040)	(£33,154)
PROFIT	R195,000	R194,000
	(£97,500)	(£97,000)
TOTAL PROFIT FOR QUARTER	R62,168	R30,499
	(£31,084)	(£15,249)
Less: Interest payable on amounts advanced to the Company.....	R28,898	R24,777
	(£14,449)	(£12,388)
Contribution towards cost of Atomic Energy Board's uranium research programme.....	Nil	R3,250
		(£1,625)
Capital Expenditure.....	Nil	Nil
EXCESS OF INCOME OVER EXPENDITURE FOR QUARTER	R33,270	R2,472
	(£16,635)	(£1,236)

LOANS

During the quarter under review, the balance of the loan from the National Finance Corporation of South Africa, namely R300,000 (£150,000), was repaid. In terms of the arrangement made with Johannesburg Consolidated Investment Company, Limited, that company advanced, on short term loan, the funds required to meet the loan repayments as they fell due.

At 30th June, 1961, the amount owing to Johannesburg Consolidated Investment Company, Limited was R1,250,000 (£625,000).

DEVELOPMENT

	Qtr. ended 30th June, 1961	Qtr. ended 31st March, 1961
Total development—feet.....	4,984	8,538
Sampled:		
Feet.....	800	1,030
Value—dwts.....	49.1	47.5
Width—inches.....	6.3	6
Inch-dwts.....	309	285
Payable:		
Feet.....	525	525
Percentage.....	66	51
Value—dwts.....	62.6	62.2
Width—inches.....	6.2	6
Inch-dwts.....	388	373

ELSBURG REEF EXPLORATION

Exploratory diamond drilling on the western boundary of the Mine continues. Details of the results obtained to date are given below:

Borehole No. ERK I. This hole which was completed during 1953 has been re-opened and a directional deflection intended to penetrate the Elsberg measures to the West of the original intersections was started at a depth below surface of 3,314 feet. The deflection had reached a depth of 3,577 feet at the end of the quarter. At this depth the hole was in Ventersdorp Lava.

Borehole No. ERK II. This borehole is situated at a point 1,250 feet to the South of Borehole ERK I and approximately half-way between that Borehole and the underground Borehole No. 754 drilled upwards from 18 North 2 Haulage West. At the end of the quarter this hole had reached a depth of 4,950 feet below surface and it had passed through the Elsberg Series. In this series borehole core assays gave the following results:—

Borehole	Value, Dwts.	Width, Inches	Inch-Dwts.
Depth, ft.			
4,052	9.37	26.4	247
4,085	17.90	6.8	122
4,164	10.26	102.4	1,051
4,326	8.36	27.5	230
4,580	4.54	14	64

Drilling will be continued until the Basal Reef horizon has been traversed, thereafter deflections will be made.

FREDDIES CONSOLIDATED MINES, LIMITED—continued

Underground Borehole No. 754 ex 18 North 2 Haulage West. This hole, which was drilled up at 70° in a North-Easterly direction, entered the Elsberg Series at a borehole depth of 787 feet and remained in this series until it was stopped at 1,050 feet. It was impracticable to continue drilling beyond this depth and the borehole failed to reach the Upper Elsberg measures corresponding to those intersected above a borehole depth of 4,580 feet in Borehole ERK II. The assay results of the various reef horizons intersected are as follows:—

Reef	Borehole Depth, ft.	Value, Dwts.	Width, Inches	Inch-Dwts.
"B".....	397	18.00	17.7	319
"A" Lower.....	645	18.94	31.5	597
"A" Upper.....	656	26.66	29.5	786
Elsburg.....	1,026	7.18	8.9	64

A deflection from this hole is in progress.

GENERAL

It must be emphasised that the drilling reported on is still in progress and that the results given have not been confirmed by deflections.

WESTERN AREAS GOLD MINING COMPANY LIMITED

AUTHORISED AND ISSUED CAPITAL: R16,540,000 (£8,270,000)
PAID UP CAPITAL R16,138,918 (£8,069,459)
(Divided into 16,005,224 units of stock of R1 (10s.) each, fully paid, and 534,776 shares of R1 (10s.) each, 25c (2s. 6d.) per share paid)

SHAFT SINKING AND EQUIPPING

Main Shaft.—The installation of the permanent shaft equipment was completed at the end of the quarter and work is in progress on the spillage handling arrangements at the bottom of the shaft.

	Quarter ended 30th June, 1961	Quarter ended 31st March, 1961
DEVELOPMENT		
Total development—feet.....	12,078	9,450
Ventersdorp Contact Reef		
Development—feet.....	127	—
Sampled—feet.....	135	—
Payable—feet.....	Nil	—
Percentage payable.....	Nil	—
Value—dwts.....	—	—
Width—inches.....	—	—
Inch-dwts.....	—	—
Elsburg Massive Reef		
Development—feet.....	543	—
Sampled—feet.....	510	—
Payable—feet.....	425	—
Percentage payable.....	83.33	—
Value—dwts.....	7.3	—
Width—inches.....	92	—
Inch-dwts.....	672	—
Elsburg Individual Reef		
Development—feet.....	1,346	—
Sampled—feet.....	1,315	—
Payable—feet.....	725	—
Percentage payable.....	55.13	—
Value—dwts.....	7.4	—
Width—inches.....	57	—
Inch-dwts.....	422	—
Total All Reefs		
Development—feet.....	2,016	—
Sampled—feet.....	1,960	—
Payable—feet.....	1,150	—
Percentage payable.....	58.67	—
Value—dwts.....	7.4	—
Width—inches.....	70	—
Inch-dwts.....	518	—

On 36 Level, the main haulages East and West are progressing favourably. On 38 Level, five cross-cuts have been taken off in a southerly direction to traverse the Elsberg and Ventersdorp Contact Reefs and the above sampling results are of the reef development in raises and winzes accomplished during the quarter from these cross-cuts. The excavations for the main intermediate pump chamber were continued during the quarter.

EUROPEAN HOUSING

A further twelve houses for the use of European employees have been completed in Westonaria Township.

MINE SERVICES

The erection of the first main compressor is almost complete.

PERMANENT ORE AND WASTE HANDLING ARRANGEMENTS

The erection of the permanent ore and waste handling arrangements is in hand.

GENERAL

During the current quarter ore from development will be transported to the reduction works at Randfontein Estates Gold Mining Company, Witwatersrand, Limited, for test milling. Arrangements have been concluded for the road transport of this ore.

EXPENDITURE

Capital expenditure during the quarter amounted to R1,776,000 (£888,000) bringing the total capital expenditure to 30th June, 1961, to R13,808,000 (£6,904,000) which sum includes expenditure incurred in establishing and developing the mine as well as the cost of the mining lease, freehold property, mineral rights, prospecting expenditure, preliminary and share issue expenses.

THE RANDFONTEIN ESTATES GOLD MINING COMPANY, WITWATERSRAND, LIMITED

ISSUED CAPITAL		R8,127,106 (£4,063,553)	
(Divided into 4,063,553 shares of R2 (£1) each, fully paid)			
	Quarter ended 30th June, 1961	Quarter ended 31st March, 1961	
OPERATIONS			
Gold Division			
Tons milled	52,000	51,000	
Gold produced—ounces fine	8,410	9,352	
Yield per ton milled—dwts.	3.235	3.667	
Cost per ounce	R25.39	R25.20	
	(253s. 11d.)	(252s. 0d.)	
Revenue per ton milled	R4.17	R4.72	
	(41s. 8d.)	(47s. 2d.)	
Cost per ton milled	R4.10	R4.62	
	(41s. 0d.)	(46s. 2d.)	
Profit per ton milled	R0.07	R0.10	
	(8d.)	(1s. 0d.)	
Revenue from gold and sundry revenue	R217,004	R240,957	
	(£108,502)	(£120,478)	
Less Working Cost	R213,575	R235,699	
	(£106,788)	(£117,849)	
ESTIMATED PROFIT	R3,429	R5,258	
	(£1,714)	(£2,629)	
Uranium Division			
Tons milled	411,000	429,000	
Cost per ton milled	R7.80	R7.83	
	(78s. 0d.)	(78s. 3d.)	
Uranium oxide produced—lbs.	440,490	443,839	
Yield per ton milled—lbs.	1,072	1,035	
Gold produced—ounces fine	21,168	20,948	
Yield per ton milled—dwts.	1,030	977	
Uranium oxide sold—lbs.	368,000	368,000	
Revenue from uranium oxide and acid sold	R3,734,680	R3,741,554	
	(£1,867,340)	(£1,870,777)	
Less: Net expenditure attributable to uranium oxide and acid sold, i.e., mining costs, treatment costs, acid production costs and provision for repayment of uranium loans less sundry revenue and revenue from gold in uranium ore	R3,368,680	R3,375,554	
	(£1,684,340)	(£1,687,777)	
Profit on uranium oxide and acid sold	R366,000	R366,000	
	(£183,000)	(£183,000)	
Royalty receivable for transfer of portion of tonnage quota less provision for repayment of uranium loan attributable thereto	R473,400	R473,400	
	(£236,700)	(£236,700)	
ESTIMATED PROFIT	R839,400	R839,400	
	(£419,700)	(£419,700)	

NOTE: Sales of uranium oxide and the estimated profit arising therefrom have been based on a *pro rata* of the company's sales entitlement for the year and not on actual production during the quarter under review.

RESULTS OF OPERATIONS

Combined estimated profit for quarter—Gold and Uranium Divisions	R842,829	R844,658
	(£421,414)	(£422,329)
Less:	This Quarter	Last Quarter
Estimated Taxation	R330,000	R330,000
	(£165,000)	(£165,000)
Contribution towards cost of Atomic Energy Board's Uranium Research programme	R22,710	R27,558
	(£11,355)	(£13,779)
Capital Expenditure	R40,705	Nil
	(£20,352)	
	R393,415	R357,558
	(£196,707)	(£178,779)
BALANCE OF PROFIT FOR QUARTER	R449,414	R487,100
	(£224,707)	(£243,550)
Valuation of stocks of uranium oxide on hand at end of quarter at estimated net cost of production, exclusive of provision for repayment of uranium loans	R1,053,334	R536,834
	(£526,667)	(£268,417)
URANIUM LOANS		
Balance of loans outstanding at end of quarter ..	R5,300,851	R5,675,104
	(£2,650,426)	(£2,837,552)

NOTE: Although the period of delivery of uranium has been stretched to the end of 1965 the company is required to meet its original commitment for loan repayments on scheduled dates ending on 31st December, 1964.

To assist it in meeting this commitment the company will receive interest free loans during the period 30th September, 1961, to 31st December, 1964, which loans will be repayable during 1965.

DEVELOPMENT

Total development—feet	27,748	27,731
Gold Division		
Development—feet	Nil	Nil
Uranium Division—Bird Reef Series		
Development—feet	27,748	27,731
Sampled:		
Feet	6,980	4,885
Value—uranium—lbs.	2.8	2.1
Value—gold—dwts.	3.9	3.3
Width—inches	19	23
Inch-lbs.—uranium	53	48
Inch-dwts.—gold	74	76
Payable:		
Feet	*4,225	*2,245
Percentage	61	46
Value—uranium—lbs.	3.8	3.6
Value—gold—dwts.	5.6	6.2
Width—inches	18	20
Inch-lbs.—uranium	68	72
Inch-dwts.—gold	101	124

* In the case of the Uranium Division payability is based on the combined gold and uranium content.

THE EAST CHAMP D'OR GOLD MINING COMPANY LIMITED

ISSUED CAPITAL		R519,750 (£259,875)	
(Divided into 2,079,000 shares of 25 cents (2s. 6d.) each, fully paid)			
	Quarter ended 30th June, 1961	Quarter ended 31st March, 1961	
OPERATIONS			
Tons milled	37,000	36,500	
Cost per ton milled	R5.35	R5.20	
	(53s. 6d.)	(52s. 0d.)	
Uranium oxide produced—lbs.	26,039	28,408	
Uranium oxide sold—lbs.	26,039	28,408	
Yield per ton milled—lb.704	.778	
Gold produced—ounces fine	802	888	
Yield per ton milled—dwts.434	.487	
RESULTS OF OPERATIONS			
Uranium Division			
Revenue from uranium oxide sold subject to future adjustment	R276,145	R272,877	
	(£138,072)	(£136,438)	
Less: Net mine working costs (i.e., after deducting sundry revenue and revenue from gold in uranium ore), treatment costs and rental charges	R241,253	R234,118	
	(£120,626)	(£117,059)	
	R34,892	R38,759	
	(£17,446)	(£19,379)	
Gold Division			
Profit from the milling of 4,500 (last quarter 4,500) tons arising from reclamation operations on the Main Reef series	R913	R1,047	
	(£456)	(£524)	
TOTAL OPERATING PROFIT FOR QUARTER	R35,805	R39,806	
	(£17,902)	(£19,903)	

Less:	This Quarter	Last Quarter
Estimated Taxation	R8,100	R10,400
	(£4,050)	(£5,200)
Contribution towards cost of Atomic Energy Board's uranium research programme	R1,761	R1,762
	(£880)	(£881)
Provision for interest on and repayment of uranium loans	R7,810	R7,810
	(£3,905)	(£3,905)
Capital Expenditure	Nil	Nil
	R17,671	R19,972
	(£8,835)	(£9,986)
BALANCE OF PROFIT FOR QUARTER	R18,134	R19,834
	(£9,067)	(£9,917)
URANIUM LOANS		
Balance of loans outstanding at end of quarter ..	R101,675	R108,418
	(£50,837)	(£54,209)
DEVELOPMENT		
Development—feet	1,877	1,799
Sampled:		
Feet	970	805
Value—uranium—lbs.	1.8	2.2
Value—gold—dwts.	1.4	1.7
Width—inches	15	15
Inch-lbs.—uranium	27	33
Inch-dwts.—gold	21	26
Payable:		
Feet	*360	*340
Percentage	37	42
Value—uranium—lbs.	3.1	3.1
Value—gold—dwts.	2.5	2.3
Width—inches	13	15
Inch-lbs.—uranium	40	47
Inch-dwts.—gold	33	35

* Payability is based on the combined gold and uranium content.

GOVERNMENT GOLD MINING AREAS (Modderfontein) CONSOLIDATED LIMITED

ISSUED CAPITAL R140,000 (£70,000)
(Divided into 5,600,000 shares of 2½ cents (3d.) each, fully paid)

	Quarter ended 30th June, 1961	Quarter ended 31st March, 1961
OPERATIONS		
Tons milled	110,000	138,000
Gold recovered from current milling—ounces fine	18,893	23,256
Recovery per ton—dwts.	3.435	3.370
Gold recovered from old residues—ounces fine	3,933	4,710
RESULTS OF OPERATIONS		
Revenue from gold, silver and osmiridium, including revenue from sales of gold derived from the treatment of old residues	R576,696 (£288,348)	R708,260 (£354,130)
Rents and sundry revenue	R11,264 (£5,632)	R11,889 (£5,944)
Revenue from sales of salvaged plant and equipment	R50,016 (£25,008)	R6,836 (£3,418)
	R637,976 (£318,988)	R726,985 (£363,492)
Less: Working Costs	R691,322 (£345,661)	R776,333 (£388,166)
Loss from gold mining, treatment of old residues and salvage operations and sundry revenue	R53,346 (£26,673)	R49,348 (£24,674)
Net revenue from pyrite (last quarter—after provision of R20,700 (£10,350) for interest on and repayment of pyrite loans)	R114,013 (£57,006)	R134,017 (£67,008)

TOTAL PROFIT FOR QUARTER	R60,667 (£30,333)	R84,669 (£42,334)
Less: Estimated taxation and Government share of profits	This Quarter R8,000 (£4,000)	Last Quarter R15,000 (£7,500)
Capital expenditure	Nil	Nil
BALANCE OF PROFIT FOR QUARTER	R52,667 (£26,333)	R69,669 (£34,834)

PYRITE LOANS		
Balance of loans outstanding at end of quarter ..	Nil	R269,452 (£134,726)

The balance of the pyrite loans was repaid on 30th June, 1961.

DEVELOPMENT		
Total development—feet	Nil	Nil

PYRITE: The negotiations, concerning the reduced requirements of the purchasers of pyrite, resulting from the reduced annual rate of uranium production, as from 1st January, 1961, have been concluded on a basis satisfactory to the company. The outcome of these negotiations is that pyrite production will continue until 31st August, 1966, on a pricing arrangement that will result in the present value of the funds becoming available for distribution to members over the period being not less than the amount that would have accrued under the former arrangements.

The net revenue from sales of pyrite will be of the order of R440,000 per annum. During the early months of the current year the production of pyrite was at a higher monthly rate than that subsequently contemplated under the new arrangement. Production during the latter half of the year will therefore be on a lower scale and the monthly net revenue derived therefrom will show a corresponding reduction.

10 & 11, Austin Friars, London, E.C.2.
12th July, 1961.

For and on behalf of,
JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED
D. L. REYNOLDS Secretary

WITWATERSRAND NIGEL, LIMITED

(Incorporated in the Republic of South Africa)

REPORT OF THE DIRECTORS

For the Quarter ended 30th June, 1961

PRODUCTION

Tons Milled	59,500	
Yield (in oz. fine)	12,823	
Yield per Ton Milled (dwts.)	4.310	
		Per ton milled s. d.
Working Revenue	£160,972	54 1
Working Costs	154,505	*51 11
Working Profit	£6,467	2 2
Add: Sundry Revenue	4,020	
NET PROFIT	£10,487	

(*241/- per oz. fine)

CAPITAL EXPENDITURE

Capital Expenditure during the quarter amounted to £728.

DEVELOPMENT

Development Footage	5,594 feet
Footage on Reef	3,987 feet
Footage Sampled	3,935 feet

The payable reef disclosures were as follows:—

1,190 feet, or 30.2%, averaging 10.46 dwts. per ton over a width of 25.95 inches, equivalent to 271 inch-dwts.

(No allowance has been made in the above results for adjustments necessary before calculation of the corresponding Ore Reserve.)

ORE RESERVE

The estimated Ore Reserve at 30th June, 1961, was 736,800 tons, averaging 4.66 dwts. per ton over a stoping width of 37 inches.

DIVIDEND

A Dividend (No. 7) of 4 per cent. (1.2d. per share) was declared on 12th June, 1961, payable on or about 8th August, 1961, to Shareholders registered in the books of the Company at the close of business on 30th June, 1961.

By Order of the Board,

PETER LATILLA-CAMPBELL, London Secretary,

London Office: 120, Moorgate, London, E.C.2. 19th July, 1961.

SPAARWATER GOLD MINING COMPANY LIMITED

(Incorporated in the Republic of South Africa)

REPORT OF THE DIRECTORS

For the Quarter ended 30th June, 1961

Tons milled	33,600	
Total yield ounces fine	10,864	
Total yield per ton (dwts.)	6.466	
		Per Ton Milled
Working revenue	R273,090 (£136,545)	R8.13 (81s. 3d.)
Cost of mining and milling	R210,484 (£105,242)	R6.27 (62s. 7d.)
Excess of revenue over cost of mining and milling	R62,606 (£31,303)	R1.86 (18s. 8d.)
Expenditure on development	R59,177 (£29,589)	R1.76 (17s. 8d.)
Working profit	R3,429 (£1,714)	R0.10 (1s. 0d.)
Expenditure on capital account	Nil	
Government taxes	Nil	

DEVELOPMENT

Spaarwater Lease Area. The total footage advanced by the Company during the quarter amounted to 2,935 feet. The footage sampled amounted to 1,870 feet, of which 470 feet, equal to 25.1 per cent, proved payable at an average value of 8.2 dwts. per ton over an estimated stoping width of 41.6 inches, equivalent to 341 inch-dwt. This development includes development in the Western Section where the footage sampled amounted to 975 feet, of which 190 feet, equal to 19.5 per cent, proved payable at an average value of 6.1 dwts. per ton over an estimated stoping width of 36.0 inches, equivalent to 220 inch-dwt.

Not included above is 1,333 feet of development advanced by The Sub Nigel Limited in the Spaarwater lease area under a tribute agreement with that Company. The footage sampled amounted to 1,065 feet, of which 195 feet, equal to 18.3 per cent, proved payable at an average value of 6.0 dwts. per ton over an estimated stoping width of 44.1 inches, equivalent to 265 inch-dwt.

Area held under Prospecting Permission—In addition, 536 feet were advanced under prospecting permission in the area outside the western boundary of the mine. The footage sampled amounted to 485 feet, all of which proved unpayable.

Development returns show the actual sampling results: adjustments which may be required when estimating ore reserves have not been applied.

By Order of the Board,

PETER LATILLA-CAMPBELL,

London Secretary.

London Office: 120, Moorgate, London, E.C.2. 13th July, 1961.

GOLD FIELDS GROUP COMPANIES

49 MOORGATE, LONDON, E.C.2.

Extracts from Directors' Reports of Gold Mining Companies for the Quarter ended 30th June, 1961

(All Companies mentioned are incorporated in the Republic of South Africa, with the exception of The Luipaards Vlei Estate and Gold Mining Co., Ltd., and Dominion Reefs (Klerksdorp) Ltd., which are incorporated in England.)

South African currency is now expressed in Rand and cents, there being 100 cents in a Rand. Monetary figures in these extracts are given in Rand and cents with the equivalent sterling shown in the adjacent column at an exchange rate of R2 equals £1 sterling.

NOTES.—The development returns of the following Mining Companies show the actual sampling results: adjustments which may be required when estimating ore reserves have not been applied. Copies of the reports may be obtained from the London Secretaries, 49, Moorgate, E.C.2.

LIBANON GOLD MINING COMPANY LTD.

OPERATIONS	Qtr. ended 30/6/1961
Tons milled	354,000
Total yield ounces fine	87,084
Yield per ton milled (dwt.)	4.920
Working Revenue per ton milled	R6.19 (61s. 11d.)
Working Expenditure per ton milled	R4.87 (48s. 9d.)
Working Profit per ton milled	R1.32 (13s. 2d.)

Working Revenue	R2,191,360 (£1,095,680)
Working Expenditure	R1,725,000 (£862,500)
Working Profit	R466,360 (£233,180)

Capital Expenditure	R404,634 (£202,317)
Taxation	Nil

DEVELOPMENT	Main Reef	Ventersdorp Reef	Contact Reef	Total
Footage Advanced				19,462
Footage Sampled	7,010	2,250		9,260
Payable:				
Footage	5,015	1,725		6,740
Per Cent	71.5	76.7		72.8
Stope Width (in.)	52.4	46.5		50.9
Inch-dwt.	278	456		326

ORE RESERVE AT 30th JUNE, 1961

Classification	Tonnage	Stope Width (in.)	Stope Value (dwt./ton)	Stope Value Inch-dwt.
Main Reef	1,934,000	48.4	4.8	232
Ventersdorp				
Contact Reef	825,000	47.7	6.2	296

Totals and averages 2,759,000 48.2 5.2 251

HARVIE-WATT SHAFT—During the quarter the shaft was equipped to a depth of 5,584 feet below collar.

No. 1 VENTILATION SHAFT—The increase of Venterspost's own upcast requirements will result in a progressively reduced quantity of air which they upcast from the Libanon No. 1 Sub-Vertical Shaft area. It is therefore necessary to provide alternative upcast facilities. This requires the immediate sinking of a 22 feet diameter shaft, 2,400 feet deep, sited on the sub-outcrop of the reef to link up with existing workings, at an estimated cost of R876,000 (£438,000). Sinking operations were commenced during the quarter and the shaft sunk to a depth of 22 feet.

DIVIDEND—A dividend (No. 21) of 5 cents (6d.) per share was declared on 13th June, 1961, payable on or about 9th August, 1961.

VOGELSTRUISBULT GOLD MINING AREAS LIMITED.

PRODUCTION	Qtr. ended 30/6/1961
Tons milled	242,000
Total yield ounces fine	51,828
Yield per ton milled (dwt.)	4.283
Working Revenue per ton milled	R5.41 (54s. 1d.)
Working Expenditure per ton milled	R5.09 (50s. 10d.)
Working Profit per ton milled	R0.32 (3s. 3d.)

Working Revenue	R1,308,016 (£654,008)
Working Expenditure	R1,229,382 (£614,691)
Working Profit	R78,634 (£39,317)

Uranium Oxide	
Tons treated in leaching plant	130,450
Total yield uranium oxide (lb.)	61,287
Yield per ton treated uranium oxide (lb.)	0.470
Uranium oxide sold (lb.)	52,000
Revenue from uranium oxide sold	R512,226 (£256,113)
Net cost of uranium oxide sold after deducting revenue from pyrite sales R65,065 (£32,532)	R176,226 (£88,113)
Profit on Sales	R336,000 (£168,000)

Total Working Profit	R414,634 (£207,317)
Capital Expenditure	R2,265 (£1,132)
Uranium Loan Instalment	R144,000 (£72,000)
Taxation	R123,033 (£61,516)

DEVELOPMENT	Main Reef	Kimberley Reef	Total
Footage Advanced			9,200
Footage Sampled	4,235	2,470	6,705
Payable:			
Footage	980	400	1,380
Per Cent	23.1	16.2	20.6
Stope Width (in.)	41.4	43.6	42.0
Inch-dwt.—Gold	282	244	269
Inch-lb.—Uranium Oxide		16.6	

REPAYMENT OF CAPITAL—A repayment of capital (No. 5) of 5 cents (6d.) per share was declared on 13th June, 1961, payable on or about 9th August, 1961.	
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DOMINION REEFS (KLERKSDORP) LIMITED.

PRODUCTION	Qtr. ended 30/6/1961
Tons from slimes dam	83,400
Tons from mine	48,200
Total tons treated in leaching plant	131,600
Yield per ton treated uranium oxide (lb.)	153,213
Uranium oxide sold (lb.)	1,164
Revenue from uranium oxide sold	R1,046,231 (£523,115)
Working expenditure after deducting revenue from sales of gold R42,192 (£21,096)	R451,231 (£225,615)
Working Profit	R595,000 (£297,500)

Capital Expenditure	R1,002 (£501)
Uranium loan instalment	R159,688 (£79,844)
State's Share of Profit	R13,813 (£6,906)
Taxation	R269,589 (£134,794)

Pursuant to the plan of operations following the sale of portion of its uranium quota, mining operations ceased during June, 1961. All underground equipment is being reclaimed.

DIVIDEND—A dividend (No. 18) of 15 cents (1s. 6d.) per share was declared on 13th June, 1961, payable on or about 9th August, 1961.

WEST DRIEFONTEIN GOLD MINING COMPANY LIMITED.

PRODUCTION	Qtr. ended 30/6/1961
Tons Milled	473,500
Total yield ounces fine	397,139
Yield per ton milled (dwt.)	16.775
Working Revenue per ton milled	R21.11 (211s. 1d.)
Working Expenditure per ton milled	R6.72 (67s. 2d.)
Working Profit per ton milled	R14.39 (143s. 11d.)
Working Revenue	R9,996,308 (£4,998,154)
Working Expenditure	R3,182,699 (£1,591,349)

Working Profit	R6,813,609 (£3,406,805)
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Uranium Oxide	
Tons treated in leaching plant	140,500
Total yield uranium oxide (lb.)	52,197
Yield per ton treated uranium oxide (lb.)	0.372
Uranium oxide sold (lb.)	44,850
Revenue from uranium oxide sold	R406,094 (£203,047)
Service fee received from Doornfontein Gold Mining Company Limited	R47,827 (£23,913)
Treatment Costs	R147,921 (£73,960)

Profit	R306,000 (£153,000)
Total Working Profit	R7,119,609 (£3,559,805)

Capital Expenditure	R2,231,641 (£1,115,820)
Uranium Loan Instalment	R151,200 (£75,600)
State's Share of Profit	R926,376 (£463,188)
Taxation	R2,431,598 (£1,215,799)

DEVELOPMENT	Carbon Leader	Ventersdorp	Contact Reef	Qtr. ended 30/6/1961	Qtr. ended 30/6/1961
Footage Advanced				8,737	9,727
Footage Sampled				2,845	2,150
Payable:					
Footage				2,845	1,785
Per Cent				100.0	83.0
Stope Width (in.)				42.0	42.5
Inch-dwt.—Gold				769	684
Inch-lb.—Uranium Oxide				15.5	—

In addition, 562 feet were advanced during the quarter in the area held under Prospecting Permit.

ORE RESERVE AT 30th JUNE, 1961

Classification	Tonnage	Stope Width (in.)	dwt./ton	Inch-dwt.	Gold lb./ton	Uranium Oxide lb./ton
Carbon Leader	3,360,000	42.1	15.6	657	0.24	10.1
Ventersdorp						
Contact Reef	731,000	46.9	9.8	460		
Totals and Averages	4,091,000	42.9	14.6	626		

No. 4 SHAFT—During the quarter this shaft was sunk a distance of 344 feet to a total depth of 4,665 feet below collar. In addition stations to serve 14 level and the Transfer Level 205 feet below 14 Level, were excavated.

DIVIDEND—A dividend (No. 17) of 31 cents (3s. 1.2d.) per share was declared on 13th June, 1961, payable on or about 9th August, 1961.

FREE STATE SAAIPLAAS GOLD MINING COMPANY LIMITED.

OPERATIONS	Qtr. ended 30/6/1961	
Tons milled	167,000	
Total yield ounces fine	44,812	
Yield per ton milled (dwt.)	5.367	
Working Revenue per ton milled	R6.74	(67s. 5d.)
Working Expenditure per ton milled	R6.61	(66s. 1d.)
Working Profit per ton milled	Profit R0.13	(1s. 4d.)
Working Revenue	R1,126,196	(£563,098)
Working Expenditure	R1,104,053	(£552,027)
Working Loss/Profit	Profit R22,143	(£11,071)
Capital Expenditure	R438,696	(£219,348)
Taxation	Nil	Nil

DEVELOPMENT	Basal Reef
Footage Advanced	13,325
Footage sampled	5,050
Payable:	
Footage	3,480
Per Cent.	68.9
Stope Width (in.)	51.5
Inch-dwt.	299

EXPANSION OF OPERATIONS—In September, 1960, the Company issued 6,000,000 shares of R1.00 (10s.) each in the Company at par to make available an additional sum of R6,000,000 (£3,000,000) which was estimated to be required to carry out underground development and to equip the mine with the object of reaching an output of 100,000 tons milled in March, 1962. The programme of expansion of output undertaken at that time has been fulfilled up to date in that trial milling commenced in October, 1960, normal milling operations began in January, 1961, at the rate of 50,000 tons per month and satisfactory progress is being made at the present time in equipping the mine for a nominal capacity of 75,000 tons milled per month by September next.

The results of underground development from the commencement of operations to the end of June, 1961, were as follows:

	Total development
Footage advanced	101,288
Footage sampled	25,880
Payable:	
Total (feet)	16,730
Percentage	64.6
Estimated Stopping Width (in.)	51.3
Average stope value (dwt./ton)	6.4
Payable value (inch-dwt.)	328

The ore reserve fully developed at 30th June, 1961, based on a pay limit calculated to conform to existing conditions in respect of gold price and working costs, was estimated to be 683,000 tons, averaging 5.2 dwt. per ton over an estimated stopping width of 50.6 inches, equivalent to 263 inch-dwt.

Development has been retarded by the intersection of water-bearing fissures, by the occurrence of faulting and by the disclosure of an apparently unpayable zone in the immediate neighbourhood of No. 2 shaft. Consequently the proving of ore reserves has not progressed in accordance with the requirements of the programme to attain an output of 100,000 tons per month in March, 1962. Every effort is being made to increase the rate of development as rapidly as underground conditions permit but until this rate has reached an appropriate level the Board of Directors considers it will be prudent not to incur expenditure on equipping the mine to raise the nominal productive capacity from 75,000 to 100,000 tons per month.

At the 30th June, 1961, the net cash assets of the Company amounted to R2,247,282 (£1,123,641).

ROBINSON DEEP LIMITED.

OPERATIONS	Qtr. ended 30/6/1961	
Tons milled	132,000	
Total yield ounces fine	29,125	
Yield per ton milled (dwt.)	4.413	
Working Revenue per ton milled	R5.55	(55s. 6d.)
Working Expenditure per ton milled	R5.51	(55s. 1d.)
Working Profit per ton milled	R0.04	(0s. 5d.)
Working Revenue	R732,564	(£366,282)
Working Expenditure	R726,976	(£363,488)
Working Profit	R5,588	(£2,794)
Capital Expenditure	Nil	Nil
Taxation	Nil	Nil

TRIBUTING AGREEMENT WITH VILLAGE MAIN REEF GOLD MINING COMPANY (1934) LIMITED—No revenue has as yet accrued to this Company from the work being carried out, on a royalty basis, by Village Main Reef Gold Mining Company (1934) Limited in the area above 10 Level in the Turf Section.

	Total Development
Footage Advanced	2,009
Footage Sampled	1,835
Payable:	
Footage	925
Per Cent.	50.4
Stope Width (in.)	48.5
Inch-dwt.	272

REDUCTION OF CAPITAL—In terms of an Order of the Supreme Court granted on 11th July, 1961, the authorized and issued share capital of the Company was reduced from R1,100,000 in 2,000,000 "B" shares of 55 cents each, fully paid, to R50,000 in 2,000,000 "B" shares of 2½ cents each, fully paid.

REPAYMENT OF CAPITAL—A repayment of capital of 2½ cents (3d.) per share was declared on 13th June, 1961, subject to the above order of Court and is now accordingly payable on or about 9th August, 1961.

RIETFontein CONSOLIDATED MINES LTD.

OPERATIONS	Qtr. ended 30/6/1961	
Tons milled	36,000	
Total yield ounces fine	9,730	
Yield per ton milled (dwt.)	5.406	
Working Revenue per ton milled	R6.80	(68s. 0d.)
Working Expenditure per ton milled	R6.57	(65s. 8d.)
Working Profit per ton milled	R0.23	(2s. 4d.)
Working Revenue	R244,897	(£122,448)
Working Expenditure	R236,572	(£118,286)
Working Profit	R8,325	(£4,162)
Capital Expenditure	Nil	Nil
Taxation	R175	(£87)
Footage Advanced	3,725	Total Development
Footage Sampled	1,265	
Payable:		
Footage	625	
Per Cent.	49.4	
Stope Width (in.)	45.3	
Inch-dwt.	403	

REPAYMENT OF CAPITAL—A repayment of capital (No. 7) of 2 cents (2.4d.) per share was declared on 13th June, 1961, payable on or about 9th August, 1961.

DOORFontein GOLD MINING COMPANY LIMITED.

PRODUCTION	Qtr. ended 30/6/1961	
Gold		
Tons milled	352,500	
Total yield ounces fine	149,178	
Yield per ton milled (dwt.)	8.464	
Working Revenue per ton milled	R10.64	(106s. 5d.)
Working Expenditure per ton milled	R5.80	(58s. 0d.)
Working Profit per ton milled	R4.84	(48s. 5d.)
Working Revenue	R3,751,676	(£1,875,838)
Working Expenditure	R2,045,533	(£1,022,767)
Working Profit	R1,706,143	(£853,071)
Uranium Oxide		
Tons treated in leaching plant	82,500	
Total yield uranium oxide (lb.)	27,648	
Yield per ton treated uranium oxide (lb.)	0.335	
Uranium oxide sold (lb.)	24,150	
Revenue from uranium oxide sold	R230,740	(£115,370)
Treatment costs	R86,913	(£43,456)
Service fee paid to West Driefontein Gold Mining Company Limited	R47,827	(£23,914)
Profit	R96,000	(£48,000)
Total Working Profit	R1,802,143	(£901,071)
Capital Expenditure	R820,351	(£410,175)
Uranium Loan instalment	R19,800	(£9,900)
State's Share of Profit	Nil	Nil
Taxation	R421,142	(£210,571)

DEVELOPMENT	Carbon Leader
Footage Advanced	18,180
Footage sampled	5,920
Payable:	
Footage	5,175
Per Cent.	87.4
Stope Width (in.)	42.0
Inch-dwt.—Gold	567
Inch-lb.—Uranium Oxide	10.5

ORE RESERVE AT 30th JUNE, 1961

Classification	Tonnage	Stope Width (in.)	dwt./ton	Inch/dwt.	Uranium lb./ton	Oxide Inch/lb.
Carbon	Leader 3,046,000	41.1	8.0	329	0.21	8.6

No. 2 SHAFT—There was no sinking during the quarter and work continued on the shaft collar and headgear.

SURFACE DIAMOND DRILLING—During the quarter Borehole No. E.8H was drilled to its final depth of 3,980 feet. The Main Reef was intersected at a depth of 3,492 feet while an upper band of reef was intersected at 3,486 feet. The Carbon Leader was not intersected. In a deflection of the borehole the Main Reef was intersected at a depth of 3,494 feet while the upper band was intersected at a depth of 3,485 feet. Again, the Carbon Leader was not intersected. In a second deflection of the borehole the Main Reef was intersected at a depth of 3,493 feet and the upper band at a depth of 3,483 feet. Drilling in the second deflection continues in an endeavour to intersect the Carbon Leader.

The assay results of the original borehole and the two deflections are tabulated below:—

Original Inter-section	TOP BAND				BOTTOM BD. (MAIN REEF)			
	Depth (ft.)	Value Corrected (dwt./ton)	Width (ins.)	Inch-dwt.	Depth (ft.)	Value Corrected (dwt./ton)	Width (ins.)	Inch-dwt.
1st Defl.	3,486	1.4	31.2	44	3,492	5.4	5.2	28
2nd Defl.	3,485	2.1	24.2	51	3,494	5.1	6.1	31
	3,483	2.1	24.2	51	3,493	3.0	6.1	18

DIVIDEND—A dividend (No. 9) of 13 cents (1s. 3.6d.) per share was declared on 13th June, 1961, payable on or about 9th August, 1961.

VENTERSPOST GOLD MINING COMPANY LIMITED.

OPERATIONS		Qtr. ended 30/6/1961	
Tons milled	376,000		
Total yield ounces fine	110,750		
Yield per ton milled (dwt.)	5.891		
Working Revenue per ton milled	R7.41	(74s. 1d.)	
Working Expenditure per ton milled	R5.92	(59s. 2d.)	
Working Profit per ton milled	R1.49	(14s. 11d.)	
Working Revenue	R2,785,802	(£1,392,901)	
Working Expenditure	R2,225,250	(£1,112,625)	
Working Profit	R560,552	(£280,276)	
Capital Expenditure	R124,106	(£62,053)	
Taxation	R155,973	(£77,986)	
DEVELOPMENT		Main Reef	Ventersdorp Contact Reef
Footage Advanced	4,820	2,500	20,774
Footage Sampled			7,320
Payable:			
Footage	2,480	1,845	49.15
Per Cent	51.5	73.8	59.2
Slope Width (in.)	59.2	55.7	57.1
Inch-dwt.	367	880	589

ORE RESERVE AT 30th JUNE, 1961

Classification	Tonnage	Slope Width (in.)	Slope Value (dwt./ton)	Slope Inch-dwt.
Main Reef	1,177,000	58.2	4.8	279
Ventersdorp Contact Reef	1,088,000	53.0	9.5	504

Totals and Averages 2,265,000 55.6 7.0 389

DIVIDEND—A dividend (No. 43) of 10 cents (1s.) per share was declared on 13th June, 1961, payable on or about 9th August, 1961.

VLAKFONTEIN GOLD MINING COMPANY LIMITED.

OPERATIONS		Qtr. ended 30/6/1961	
Tons milled	159,000		
Total yield ounces fine	58,759		
Yield per ton milled (dwt.)	7.391		
Working Revenue per ton milled	R9.29	(92s. 10d.)	
Working Expenditure per ton milled	R5.75	(57s. 5d.)	
Working Profit per ton milled	R3.54	(35s. 5d.)	
Working Revenue	R1,476,699	(£738,349)	
Working Expenditure	R913,489	(£456,744)	
Working Profit	R563,210	(£281,605)	
Capital Expenditure	R3,720	(£1,860)	
Taxation	R252,382	(£126,191)	
DEVELOPMENT		Main Reef	
Footage Advanced	10,327		
Footage Sampled	8,095		
Payable:			
Footage	3,175		
Per Cent	39.2		
Slope Width (in.)	41.8		
Inch-dwt.	489		

DIVIDEND—A dividend (No. 36) of 10 cents (1s.) per share was declared on 13th June, 1961, payable on or about 9th August, 1961.

THE SUB NIGEL LIMITED.

OPERATIONS		Qtr. ended 30/6/1961	
Tons milled	199,500		
Total yield ounces fine	45,117		
Yield per ton milled (dwt.)	4.523		
Working Revenue per ton milled	R5.69	(56s. 10d.)	
Working Expenditure per ton milled	R5.30	(52s. 11d.)	
Working Profit per ton milled	R0.39	(3s. 11d.)	
Working Revenue	R1,134,207	(£567,103)	
Working Expenditure	R1,056,820	(£528,410)	
Working Profit	R77,387	(£38,693)	
Capital Expenditure	R3,201	(£1,600)	
Taxation	Cr. R995	Cr. (£497)	
DEVELOPMENT		Main Reef	
Footage Advanced	3,311		
Footage Sampled	2,495		
Payable:			
Footage	650		
Per Cent	26.1		
Slope Width (in.)	37.7		
Inch-dwt.	238		

SPARWATER TRIBUTE AREA—In addition 1,333 feet were advanced in this area during the quarter. Of the 1,065 feet sampled, 195 feet equal to 18.3 per cent, proved payable averaging 265 inch-dwt. over an estimated stoping width of 44.1 inches.

ORE RESERVE AT 30th JUNE, 1961

Classification	Tonnage	Slope Width (in.)	Slope Value (dwt./ton)	Slope Inch-dwt.
Main Reef	470,000	38.3	7.9	303

REPAYMENT OF CAPITAL—A repayment of capital (No. 6) of 12½ cents (1s. 3d.) per share was declared on 13th June, 1961, payable on or about 9th August, 1961.

WEST WITWATERSRAND AREAS LIMITED.

The total footage drilled during the quarter amounted to 9,213 feet. The borehole situation at the end of June, 1961, is set out in the following tabulation:

Borehole No.	Farm	Depth in feet at 30th June, 1961	Advance during Quarter (feet)	Geological Division Traversed	Rock Types Encountered
21	Rietfontein No. 349	8,900	98	Upper Witwatersrand System	Quartzite, conglomerate and intrusive
21 2nd Defl.	Rietfontein No. 349	8,927	457	Ventersdorp System	Lava and Ventersdorp Contact Reef
21 3rd Defl.	No. 350	Completed		Upper Witwatersrand System	Quartzite, conglomerate and intrusive
22	Doornkloof No. 350	10,727	1,590	Upper Witwatersrand System	Quartzite, conglomerate and intrusives
23	Elandsfontein No. 346	1,140	796	Pretoria Series Dolomite	Shale, intrusives and quartzite, Dolomite limestone and chert.
25	Doornkloof No. 349	1,429	935	Pretoria Series Dolomite	Quartzite, shale and intrusive, Dolomite limestone, chert and carbonaceous shale.
E.8K	Kleinfontein No. 141	4,051	2,427	Upper Witwatersrand System	Quartzite.
E.8L	Kleinfontein No. 141	8,187	2,007	Upper Witwatersrand System	Quartzite, conglomerate and intrusive.
E.10E	Gerhard-minnebron No. 139	6,794	198	Lower Witwatersrand System	Quartzite, Amygdaloidal lava and intrusive.
E.10E 1st Defl.	Gerhard-minnebron No. 139	5,665	705	Upper Witwatersrand System	Quartzite, grit, conglomerate, intrusive and mylonite.

Further details are as follows:—

BOREHOLE No. 21 (2nd Deflection)—In the second deflection, completed at a depth of 8,900 feet, the Kimberley Reefs were reintersected with an incomplete core recovery in a succession similar to that in the first deflection. The results are tabulated below.

BOREHOLE No. 21 (3rd Deflection)—The borehole was deflected a third time and redrilled from 8,470 to 8,927 feet. The Ventersdorp Contact Reef was reintersected at a depth of 8,490 feet assaying 95.4 dwt. over a corrected width of 32.5 inches equivalent to 3,101 inch-dwt. The top band of the Kimberley Reef was reintersected at a depth of 8,828 feet as against a depth of 8,837 feet in the previous intersections. The bottom band is not developed. All Kimberley Reef intersections are given in the following tabulation.

TOP BAND					
Inter-Section	Depth (ft.)	Value (dwt.)	Corrected Width (ins.)	Inch-dwt.	Parting Corrected Width (ins.)
Original Borehole	8,837	4.7	65.0	306	65.3
1st Defl.	8,837	4.0	64.3	257	19.0
2nd Defl.	8,837	4.0	60.7	243	10.9
3rd Defl.	8,828	5.3	22.5	119	
SECOND BAND					
Original Borehole	8,849	4.7	49.0	230	—
1st Defl.	8,849	2.1	61.6	129	—
2nd Defl.	8,849	6.8	53.5	364	—
3rd Defl.			Not developed		

Below the Kimberley Reefs the borehole encountered intensely altered intrusive from 8,846 to 8,858 feet, followed by altered sediments to 8,879 feet, followed by syenitic intrusive in which drilling was discontinued at a depth of 8,927 feet on the 30th May, 1961.

BOREHOLE No. 22—Drilling in this borehole continued throughout the quarter in Upper Witwatersrand quartzite with conglomerate bands of low gold content. Intrusives occur between 10,279 and 10,307 feet and again between 10,676 and 10,717 feet.

BOREHOLE No. 23—This borehole continued in Pretoria Series comprising diabase to 350 feet, followed by shales to 990 feet, followed by diabase to 1,000 feet, followed by quartzite to 1,060 feet. At 1,060 feet it passed into dolomite and chert of the Dolomite Series in which formation at a depth of 1,140 feet drilling was suspended pending the erection of a diamond drill.

BOREHOLE No. 25—In this borehole drilling was continued in Pretoria shales to 715 feet, followed by diabase to 730 feet, followed by shale to 770 feet, followed by quartzite to 906 feet when the churn drill was replaced by a diamond drill. The formation comprised diabase from 906 to 1,116 feet, followed by quartzite to 1,187 feet followed by diabase to the quarter-end depth of 1,429 feet.

BOREHOLE No. E.8K—Drilling in this borehole proceeded in dolomite with bands of chert, carbonaceous shale and some mylonite to a depth of 3,945 feet. At this depth, without intersecting the Black Reef Series, the borehole penetrated into quartzites of the Upper Witwatersrand System in which it was drilling at the quarter-end depth of 4,051 feet.

BOREHOLE No. E.8L—The formation traversed in this borehole throughout the quarter is a succession of quartzites, grits and conglomerates of negligible gold content with intrusives between 7,954 and 7,956 feet and again between 7,958 feet and 7,996 feet.

BOREHOLE No. E.10E—In this borehole drilling proceeded in intrusive to a depth of 6,600 feet, followed by Lower Witwatersrand Quartzites to a depth of 6,768 feet, followed by Jeppetown Amygdaloid, within which drilling was stopped at a depth of 6,794 feet.

BOREHOLE No. E.10E (1st Deflection)—In an endeavour to obtain an intersection of the Main Reef and/or the Carbon Leader, the borehole was deflected and redrilled from 4,960 to 5,665 feet, at which depth drilling was finally stopped on the 30th June, 1961. The formation traversed was essentially the same as that encountered in the original borehole, and confirms that the portion of the geological column eliminated is relatively small and that the succession is more or less normal, but that the economic horizons, the Main Reef and Carbon Leader, were probably eliminated by faulting intersected at a depth of 5,384 feet in both the original borehole and the deflection.

DIVIDEND—A dividend (No. 25) of 20 cents (2s. 0d.) per share was declared on 13th June, 1961, payable on or about 9th August, 1961.

THE LUIPAARDS VLEI ESTATE AND GOLD MINING COMPANY LIMITED.

PRODUCTION Qtr. ended 30/6/1961

Main Reef Section	
Tons milled	209,000
Total yield ounces fine	35,916
Yield per ton milled (dwt.)	3,437
Bird Reef Section	
Tons milled for gold and treated in leaching plant	132,000
Total yield gold ounces fine	4,690
Total yield uranium oxide (lb.)	219,155
Yield per ton treated uranium oxide (lb.)	1,660
Uranium oxide sold (lb.)	189,000

Both Sections	
Revenue from gold	R1,021,568 (£510,784)
Revenue from uranium oxide sold	R1,470,515 (£735,257)

Working expenditure	R2,492,083 (£1,246,041)
	R1,742,083 (£871,041)

Total Working Profit	R750,000 (£375,000)
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Capital Expenditure	Cr. R27,625 Cr. (£13,812)
Uranium Loan Instalment	R177,000 (£88,500)
Taxation	R302,163 (£151,081)

DEVELOPMENT

Main Reef Section

Footage Advanced	10,028	11,901
Footage Sampled	3,885	5,540
Payable:		
Footage	2,420	4,290
Per Cent	62.3	77.4
Stope Width (in.)	42.7	35.6
Inch-dwt.—Gold	252	57
Inch-lb.—Uranium Oxide		79.4

Included in the total main reef footage sampled for the quarter is 690 feet sampled on Battery Reef, of which 510 feet, equal to 73.9 per cent, proved payable averaging 274 inch-dwt. over an estimated stoping width of 53.7 inches.

ORE RESERVE AT 30th JUNE, 1961

MAIN REEF SECTION (GOLD)			
Tonnage	Stope Width (in.)	Stope Value (dwt./ton)	Inch-dwt.
1,350,000	38.7	4.6	178

BIRD REEF SECTION (URANIUM)

Tonnage	Stope Width (in.)	Gold dwt./ton	Uranium inch-dwt.	Oxide lb./ton	Oxide inch-lb.
687,000	35.4	1.6	57	2.43	86.0

Compared with the Bird Reef ore reserve at 30th June, 1960, there is a decrease of 420,000 tons, the gold value and the uranium oxide content are higher by 0.3 dwt. per ton and 0.57 lb. per ton, respectively, and the stoping width is lower by 0.4 inches.

On the basis of the present costs of production and what is known of the prices at which uranium is being offered in international trade it is now considered that it will be to the Company's advantage to mine Bird Reef ore of the highest possible average grade over the remaining period of the existing sales contract. Consequently, lower grade ore which is not now expected to be mined has been excluded from the Bird Reef ore reserve estimated as at 30th June, 1961—hence the marked decrease in the ore reserve.

DIVIDEND—A dividend (No. 62) of 10 cents (1s. 0d.) per share was declared on 13th June, 1961, payable on or about 9th August, 1961.

SIMMER AND JACK MINES LIMITED.

OPERATIONS

	Qtr. ended 30/6/1961
Tons milled	209,000
Total yield ounces fine	37,971
Yield per ton milled (dwt.)	3,634
Working Revenue per ton milled	R4.57 (45s. 8d.)
Working Expenditure per ton milled	R4.56 (45s. 7d.)

Working Profit per ton milled	R0.01 (0s. 1d.)
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Working Revenue	R955,173 (£477,587)
Working Expenditure	R954,912 (£477,456)

Working Profit	R261 (£131)
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Capital Expenditure	Cr. R12,211 Cr. (£6,105)
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Taxation	Nil
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Total Development	1,684
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Footage Advanced	1,500
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Footage Sampled	580
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Payable:	38.7
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Footage	42.6
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Per Cent	285
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Stope Width (in.)	
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Inch-dwt.	
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HIGHLIGHTS FROM THE QUARTERLIES

A new ventilation shaft is to be sunk at Libanon sited on the sub-outcrop of the reef. The shaft is to be 2,400 feet deep and will cost R876,000. The decision to sink this shaft has been brought about due to the increase of Venterspost's own air requirements from its shaft, which at present assists Libanon in the No. 1 sub-vertical area. (p.20).

At West Driefontein the milling of the Ventersdorp Contact Reef started in April and has now reached a monthly rate of 45,000 tons. The additional tonnage has resulted in a record working profit for the mine. (p.20).

At City Deep the development results at depth are encouraging and the chairman has said that the "ore in sight" position is now better than it has been for many years. However the capital expenditure for the current year at R300,000 is heavy by recent standards. (p.16).

Development beyond the Vierfontein Dyke at Crown Mines is giving moderate results and there are now plans for further exploration beyond the dyke. The development to date has shown that the orebody beyond the dyke is flat and it has been officially stated that a new shaft will not be required in order to exploit this area. (p.14).

At East Rand Proprietary the G and H winzes appear to have passed out of the main zone of good values which stretch across the deep levels. Payability in the deep levels in 1960 was only 19 per cent, compared with 49 per cent the previous year and 23 per cent in 1958. (p.14).

The full scale shaft sinking at No. 4 shaft Western Reefs is expected to start in July this year; at present the shaft is at a depth of 312 feet and the installation of the winders is well advanced. (p.6).

It has been officially estimated that Bracken will start production at the end of 1962 or early 1963. The estimated cost to reach production is R17,000,000 and allowing for the new loan of R2,000,000 there is only an additional R1,000,000 to be raised. This should present no difficulty. (p.11).

The life of Freddie's continues to hang in the balance. Borehole E.R.K.2 has intersected the Elsburg reefs at depths ranging from 4,052 feet to 4,580 feet assaying, in descending order, 247, 122, 1051, 230, and 64 inch-dwts. An underground borehole has intersected the "A" and "B" reefs with values ranging from 319 to 786 inch-dwts. and a value of 64 inch-dwts. was obtained on the Elsburgs. However this hole failed to reach the upper Elsburgs covered by the first four intersections on hole E.R.K.2. (p.17).

Whilst the gold production at Government Areas provides little profit, the chairman has stated that it is of value in that the costs assist in holding the lease payments down. In fact, the lease payments would probably double on the pyrite profits if it were not for the gold production. (p.19).

At Grootvlei the policy is to work out the old stopes on the Main reef before making any rapid increase in the development on the Kimberley reef. (p.11).

The first development results from the Leslie No. 1A shaft have shown promise. Of the 5,402 feet driven, 780 feet were sampled of which 600 feet proved payable. This is equivalent to 77 per cent and gave average values of 313 inch-dwts. The erection of the reduction works is up to schedule. (p.10).

Separate results have not been given for the development east of the major fault at St. Helena, but the overall results achieved suggest that the values towards the President Brand boundary are up to expectations. Both the tonnage milled and the working profits for the June quarter are new records—the tonnage milled was 561,000 and the working profit R2,526,830. (p.10).

According to the chairman of Sallies the north-east corner of Withok has proved to be the richest area in all the mine's workings and has fully justified the sinking of the new shaft system. (p.5).

The plant extension at Vaal Reefs from a milling capacity of 100,000 tons per month to 125,000 tons is complete. Towards the end of 1962 plans for the further extension of the mill capacity to 150,000 tons per month will be put in hand. (p.5).

The existence of the Kimberley reef has been proved on a portion of the South Rooodepoort mining area. It is at a moderate depth and an agreement has been reached to explore this horizon on adjoining ground. Considerable work will be required before the potential of this area can be determined, but the limited exposures to date are encouraging. (p.12).

PRICE MOVEMENTS 1960/61

(Excluding mines returning capital)

	Mid- July '60 L'dn	Oct. 19, '60 L'dn	Jan. 19, '61 L'dn	Price Apr. 12, '61 L'dn	July 20, '61 J'bg	July 20, '61 L'dn	% Discount	Dividends† 1959/60	Dividends† 1960/61	Gross Yield % July 1960 J'bg	L'dn
1. NEW MINES—DIVIDEND PAYERS											
Blyvoors	250	280	305	258	311	245	21	24	26	8.3	10.4
Buffels	390	430	445	355	407	327	20	36	35	8.6	10.5
Doornfontein	280	268	290	252	313	250	20	30	27	8.6	10.6
F. S. Geduld	1125	1325	1206	938	955	756	21	80	85	8.9	10.9
Harmony	270	300	305	232	253	200	21	25	28	11.1	13.5
Hartebeestfontein	430	465	540	452	505	406	20	60	50	9.9	11.9
Libanon	121	146	168	113	147	111	24	7	9	6.1	7.8
President Brand	580	615	648	488	610	481	21	55	55	9.0	11.1
President Steyn	205	205	208	170	175	137	22	22	18	10.3	12.3
St. Helena	625	785	788	562	683	537	21	40	50	7.3	9.1
Stilfontein	295	335	362	295	328	262	20	31	30	9.1	11.2
Vaal Reefs	388	438	450	375	460	362	21	35	38	8.3	10.0
Welkom	135	160	196	136	125	103	18	5	7	5.6	6.4
W. Driefontein (a)	778	878	1012	775	905	725	20	50	60	6.6	8.1
W. Holdings	1112	1400	1569	1200	1368	1087	21	90	100	7.3	9.0
W. Reefs	250	280	302	240	274	222	19	25	25	9.1	11.0
Winkelhaak	195	245	278	205	223	180	19	—	8	3.6	4.5
2. NEW MINES—NON-DIVIDEND PAYERS											
Bracken	225	270	315	208	237	185	22	—	—	—	—
Freddies Cons.	18	20	23	13	21	17	19	—	—	—	—
F. S. Saaiplaas	100	106	88	62	56	47	16	—	—	—	—
Leslie	132	192	218	170	166	127	23	—	—	—	—
Lorraine	245	236	268	182	185	147	21	—	—	—	—
Merries	17	25	32	12	18	13	28	—	—	—	—
Virginia	32	35	48	30	30	25	17	—	—	—	—
W. Areas	130	149	208	158	169	135	20	—	—	—	—
W. Deeps	362	435	475	330	355	287	19	—	—	—	—
Zandpan	138	125	130	95	75	62	17	—	—	—	—
3. OLD GOLD/URANIUM											
Daggafontein	172	188	232	185	220	160	27	42	40	18.2	24.2
East Champ.	20	15	20	15	13	13	0	5	5	28.5	28.5
Luipaards Vlei	68	70	82	78	88	70	20	20	20	22.7	26.7
Randfontein	158	158	232	192	208	155	25	35	30	14.4	18.7
West Rand Cons.	168	182	205	170	183	145	21	42	40	21.8	26.6
4. OLD MINES VALUED LARGELY ON BREAK-UP											
City Deep	135	145	222	125	150	123	18	12	14	9.3	11.0
Cons. Main Reef	130	138	145	128	145	120	17	28	30	20.7	24.0
Crown Mines	210	225	285	202	250	185	26	40	40	16.0	21.0
Modderfontein E.	110	122	120	90	80	70	12	10	10	12.5	13.3
New Kleinfontein	32	35	62	35	45	40	11	—	—	—	—
5. OTHER OLD MINES											
Durban Deep	245	290	362	240	305	231	24	30	30	9.8	12.6
East Daggafontein	80	89	106	73	97	79	18	12	15	15.5	18.2
East Geduld	159	172	202	162	157	130	17	36	33	15.8	24.4
E.R.P.M.	262	285	408	275	290	225	22	35	25	8.6	10.5
Geduld Prop.	494	550	575	400	525	375	28	83	66	12.6	16.5
Grootvlei	172	185	225	175	198	150	24	25	25	12.6	16.1
Marievale	238	250	280	235	273	212	22	31	34	12.4	15.1
S. A. Land	118	142	188	135	158	120	24	10	10	6.3	8.0
Venterspost	188	215	228	175	219	172	21	19	20	9.1	11.2
Vlakfontein	155	163	172	152	173	135	22	19	21	12.1	15.0
Wit Nigel	10	10	11	9	7	6	14	1	1	14.3	16.6

† to nearest cent.

(a) adjusted for scrip issue.

